2021 ANNUAL REPORT
For the year ended March 31, 2021
On February 1, 2021, we celebrated the 100th anniversary of our founding. We have included our commitment to realize sustainability through all of our activities, in our corporate management policy that balances growth and profitability/efficiency, and soundness, we have started taking steps toward the next 100 years. We will provide integrated solutions that only we can provide to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities inside and outside the Group. In doing so, we will further promote initiatives to create values for the achievement of a sustainable society.
The economy in fiscal 2021 (April 1, 2020 - March 31, 2021) continued to see recovery in China mainly owing to an increase in capital expenditures for fixed assets, particularly in public investment, as an effect of political measures. Japan, the U.S. and Europe experienced a significant economic slowdown due to the serious impact of COVID-19 in the first quarter, but saw recovery in the corporate sector in general, while the paces of recovery in the household sector varied depending on the situation of the expansion of COVID-19.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies rooted in its advantages, while continuously implementing initiatives to strengthen its competitiveness and business structure.

As a result, revenue decreased by 6% year on year to 4,191.4 billion yen and operating profit fell by 11% year on year to 230.1 billion yen (operating profit ratio of 5.5%) in fiscal 2021.

Going forward, we will work to further create value for achieving the financial targets for fiscal 2026 (April 1, 2025 - March 31, 2026) under the new medium-term management plan: consolidated revenue of 5,000 billion yen, operating profit ratio of 10%, return on equity (ROE) of 10%, and cash generation of 3,400 billion yen in five years.

The Mitsubishi Electric Group will further promote initiatives to create value, such as “Realize a Sustainable Society” and “Provide Safety, Security, and Comfort.” By providing unique, Integrated Solutions by combining our strong core components and a wealth of field knowledge and advanced digital technology in the four fields of Life, Industry, Infrastructure and Mobility to address diversifying social challenges.

For our sustainable growth, we aim to improve profitability by strengthening the business portfolio strategy. Specifically, we will strategically invest management resources in the five key business areas—Factory Automation (FA) Control Systems Business, Air Conditioning & Refrigeration Systems Business, Building Systems Business, Automotive Equipment Business (xEV/ADAS*) and Power Semiconductor Devices Business—that we position as Key Growth Businesses and shift our resources to profitable and high-growth businesses. In addition, we will endeavor to create new businesses through promoting open innovation to meet changes in social structure and customer value, incorporating new areas and technologies and pursuing synergy as well as expanding solution businesses with an emphasis on high added-value data linkage and utilization businesses.

We would like to ask for and appreciate the continued understanding and support of our shareholders in our business activities.

July 2021

*1 Advanced Driver Assistance System

To Our Shareholders and Investors

Performance for the Year Ended March 31, 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>¥4,462,509</td>
<td>¥4,191,433</td>
</tr>
<tr>
<td>Operating profit</td>
<td>259,661</td>
<td>230,195</td>
</tr>
<tr>
<td>Net profit attributable to Mitsubishi Electric Corp. stockholders</td>
<td>221,834</td>
<td>193,132</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,409,771</td>
<td>4,797,021</td>
</tr>
<tr>
<td>Bonds and borrowings</td>
<td>267,348</td>
<td>248,697</td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders’ equity</td>
<td>2,429,473</td>
<td>2,754,293</td>
</tr>
<tr>
<td>Capital expenditure (Based on the recognized value of property, plant and equipment)</td>
<td>227,450</td>
<td>180,033</td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>206,846</td>
<td>190,574</td>
</tr>
<tr>
<td>Earnings per share attributable to Mitsubishi Electric Corp. stockholders</td>
<td>¥103.41</td>
<td>¥90.03</td>
</tr>
<tr>
<td>Cash dividends declared</td>
<td>¥40</td>
<td>¥36</td>
</tr>
</tbody>
</table>

Statistical Information

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit ratio</td>
<td>5.8%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Return on equity (ROE)</td>
<td>9.2</td>
<td>7.5</td>
</tr>
<tr>
<td>Bonds and borrowings to total assets</td>
<td>6.1</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Revenue Breakdown by Business Segment

- Energy and Electric Systems: 26.8%
  - Revenue: ¥1,270,287 million

- Home Appliances: 21.9%
  - Revenue: ¥1,038,310 million

- Electronic Devices: 4.3%
  - Revenue: ¥205,260 million

- Industrial Automation Systems: 26.3%
  - Revenue: ¥1,248,566 million

- Information and Communication Systems: 8.0%
  - Revenue: ¥380,159 million

Note: Inter-segment sales are included in the amounts of the diagram above.
Main target initiatives in fiscal 2022

### Realize a sustainable global environment
- Decrease the amount of CO2 emitted when using the product compared to previous models: 1% or more
- Reduce CO2 emissions during production by 9% or more compared to FY2017 by the end of FY2024
- Percentage of recycled plastics used: amount of molding materials and packaging materials procured by the end of FY2024, 10% or more

### Realize a safe, secure, and comfortable society
- Study goals and indicators that contribute to the resolution of social issues through business, including contribution to the SDGs/promotion of initiatives.
- Promote sustainability on a management level.
  - Conduct assessments at the appropriate time among the board of directors, and conduct regular analysis and evaluation of the board of directors' effectiveness.
  - Determine the true causes of major defects, and develop company-wide measures to prevent recurrence.
  - Once a month

### Respect for all people
- Identify human rights issues by conducting human rights impact assessments, and grasp the statuses of initiatives at each office.
- [Conduct assessments at 100% of relevant departments].

### Strengthen corporate governance and compliance on a sustainable basis
- Carry out proper reporting and discussions at the appropriate time among the board of directors, and conduct regular analysis and evaluation of the board of directors’ effectiveness.
- Maintain a 100% attendance in e-learning programs on compliance.

### Create a sustainability-oriented corporate culture
- Promote sustainability on a management level.
  - Add “Contribute to realizing sustainability through all of our activities” to the management policy.
  - Establish a Sustainability Promotion Department. (April 2021)

Main initiatives and external evaluations related to ESG are as follows:

### Initiatives
- **Participation in the UN Global Compact**
  - In May 2018, the Mitsubishi Electric Group signed the UN Global Compact (UNGC) aimed at promoting sustainability activities based on international norms.

### Expression of approval of the TCFD recommendations
- The Mitsubishi Electric Group has expressed approval of the recommendations by TCFD (Task Force on Climate-related Financial Disclosures) and has been promoting initiatives and disclosing information according to its recommendations.

### External Evaluation
- **CDP**
  - Mitsubishi Electric was selected as the highest rating “A List company” from CDP for “Climate Change” and “Water Security.” In the water category, it has been selected for five consecutive years. Mitsubishi Electric was also selected as a “Supplier Engagement Leader,” acquiring the highest rating in each area.

- **SBT**
  - It is recognized that the Mitsubishi Electric Group’s greenhouse gas reduction targets for 2030 are based on scientific grounds to “Holding the increase in the global average temperature to well below 2°C above pre-industrial levels” as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets) initiative.

- **EcoVadis**
  - Mitsubishi Electric has been awarded the top-ranking Gold Rating in sustainability by EcoVadis, the global sustainability assessments agency. Mitsubishi Electric scored especially highly in the categories of environment and sustainable procurement. The Silver Rating places Mitsubishi Electric among the top 25 percent of all companies assessed by EcoVadis.

- **FTSE Index Series**
  - FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was selected as a constituent of the company’s FTSE4Good Index Series. Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).

- **MSCI Indexes**
  - MSCI (USA) is a company that calculates and announces various indexes of global constituents. Mitsubishi Electric was selected as a constituent of the company’s FTSE4Good Index Series. Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).

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- **S&P/©JPM Carbon Efficient Index**
  - Mitsubishi Electric was selected as a constituent of the S&P/©JPM Carbon Efficient Index designed to measure the performance of companies by focusing on the level of carbon efficiency (carbon emissions per sales). The Index, which is constructed by S&P Dow Jones Indices, is based on carbon emission data by Trucost, which assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. The Index has also been adopted as an investment outlet by GPIF.
The Mitsubishi Electric Group has described its commitment to achieve sustainability through all of its activities based on its corporate philosophy system, as part of its Management Policy. We have set priority items in our sustainability initiatives as our materiality, and we engage in initiatives in this regard. We offer integrated solutions with a focus on the four fields of Life, industry, infrastructure, and mobility to help solve social issues and achieve a decarbonized society. We seek to realize a vibrant and sustainable society through activities that create economic and social value.

**The Mitsubishi Electric Group’s Initiatives to Create Value**

**Corporate Philosophy System**

**Purpose**
We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

**Our Values**
Trust, Quality, Technology, Ethics and Compliance, Humanity, Environment, Society.

**Commitment**
"Changes for the Better" represents the Mitsubishi Electric Group’s attitude to “always strive to achieve something better,” as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating “an even better tomorrow.”

**Management Policy**

- **Growth**
  - Enhance business portfolio strategy (brand management resources in key Growth Businesses, shift resources)
  - Sustainable growth through providing solutions to social challenges (decarbonization solutions, etc.)
  - Technology synergies / business synergies
  - Agile response to changes in business environment

- **Corporate Value**
  - Greater Profitability Efficiency
    - Enhance capital efficiency, strengthen management structure
    - Efforts to achieve net-zero greenhouse gas emission
    - Create a stronger business foundation
  - Greater Sustainability
    - Contribute to realizing sustainability through all of our activities
  - Greater Soundness
    - Maintain sound financial standing
    - Realize a sustainable global environment

- **Value Creation**
  - Realize a sustainable global environment
  - Realize a safe, secure, and comfortable society
  - Respect for all people
  - Create a sustainability-oriented corporate culture

**Materiality**

- **Value Creation**
  - Economic value
    - FY2025 Financial Targets
    - Revenue: ¥5 trillion
    - Operating Profit Margin: 10%
  - Social value
    - 2050 Realization of a decarbonized society
  - 2050 Net-zero Greenhouse gas emissions in the entire value chain
- **Purpose**
  - Realization of a vibrant and sustainable society
  - Respect for all people
  - Create a sustainability-oriented corporate culture

**Strategy**

- **Provide Integrated Solutions to address diversifying social challenges, in the four fields of Infrastructure and Mobility, uniting all the capabilities inside and outside of the Group.**
- **Enhance business portfolio strategy** (brand management resources in key Growth Businesses, shift resources)
- **Sustainable growth through providing solutions to social challenges** (decarbonization solutions, etc.)
- **Technology synergies / business synergies**
- **Agile response to changes in business environment**

**Social challenges**

- **Life**
  - Zero traffic accidents
  - Comfortable transport
  - Eliminate regional disparities
  - Enrich leisure time
  - Achieve CO2 reduction
  - Create an accessible and comfortable society
- **Industry**
  - Reduce air pollution
  - Build communities
  - Promote global warming
  - Convert energy to heat
  - Create a sustainability-oriented corporate culture
- **Infrastructure**
  - Measures for deteriorating infrastructure
  - Improve QOL of mobility impaired people
  - Prepare for infectious diseases
  - Preclude the occurrence of accidents
  - Create an accessible and comfortable society
- **Mobility**
  - Reduce air pollution
  - Build communities
  - Promote global warming
  - Convert energy to heat
  - Create a sustainability-oriented corporate culture

**Activities for value creation**

- Provide Integrated Solutions uniting all the capabilities inside and outside of the Group

**Our Values**
Trust, Quality, Technology, Ethics and Compliance, Humanity, Environment, Society.

**Commitment**
"Changes for the Better" represents the Mitsubishi Electric Group’s attitude to “always strive to achieve something better,” as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating “an even better tomorrow.”

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**Commitment**
"Changes for the Better" represents the Mitsubishi Electric Group’s attitude to “always strive to achieve something better,” as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating “an even better tomorrow.”
Corporate Strategy

Purpose

On the occasion of the Mitsubishi Electric Group’s 100th anniversary, it has revised its corporate philosophy system to update the Group’s reason for existence as well as the core values and attitude that all employees are asked to embrace and cherish in serving customers and society as a whole. This new system consists of three elements: Purpose, Our Values, and Commitment. We are resolved to become a group company that can meet the demands of the times and is trusted by our stakeholders over the next 100 years.

Our Values

We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

Commitment

Changes for the Better

“Changes for the Better” represents the Mitsubishi Electric Group’s attitude to “always strive to achieve something better,” as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating “an even better tomorrow.”

Management Policy

In addition to realizing corporate management that balances growth, profitability/efficiency, and soundness, we will contribute to realizing sustainability through all of our activities, and further enhance corporate value that emphasizes the creation of both economic and social value.

Pursue the Satisfaction of the four Stakeholder Categories

- Society: Social Contributions
- Customers: Excellent Products and Services
- Shareholders: Increase Corporate Value
- Employees: Rewarding Workplace

Materiality to realize sustainability

- Profitability
  - Growth: Expand business creation and growth through managed innovation in Key Growth Businesses, such as integrated microelectronics, newly developing new business areas, and strengthening social challenges (sustainability, security, etc.)
  - Efficiency: Achieve efficient management of all resources (people, corporate culture, etc.) to continuously improve profitability and efficiency
- Soundness
  - Create a sustainability-oriented corporate culture
- Sustainability
  - Create a sustainability-oriented business foundation
  - Realize a safe, secure, and comfortable society
- Integrating Our Values into Stakeholder-facing Value
  - Create useful life

Strategy

Provide Integrated Solutions to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities inside and outside of the Group. For this purpose, we will reinforce our business foundation fostered over the past 100 years*1 and further transform business models.

*1 connection with customers, technologies, personnel, products, corporate cultures, etc.

Social challenges

Life

- Zero traffic accidents
- Comfortable transport
- Eliminate traffic congestion
- Reduce air pollution
- Improve QOL of mobility impaired people
- Develop communities
- Equal opportunity for education and training
- Protect the environment
- Avoid water shortage/food shortage, etc.

Infrastructure

- Prepare for natural disasters
- Prepare for man-made disasters
- Clean water
- Industry and technological innovation
- Address labor shortage

Industry

- Zero energy
- Efficient operation support
- Track record of optimization
- Knowledge of how to optimize
- Data linkage

Field Knowledge

- Knowledge of devices
- Optimization know-how tailored to needs
- Track record of operation support and maintenance connection with customers

Advanced digital technologies

- Digital twin
- Encryption technology
- Predictive failure detection
- Remaining useful life estimation
**Corporate Strategy**

Based on its strategy, Mitsubishi Electric Group will pursue value creation for addressing social challenges, and contribute to achieving the 17 goals of the SDGs*, through all corporate activities. With a view to realizing a vibrant and sustainable society, we have set priority items in our sustainability initiatives as materiality. We will actively disclose information on the status of materiality efforts and promote engagement with stakeholders.

* "Sustainable Development Goals" adopted by the United Nations as goals to achieve towards 2030

**The Mitsubishi Electric Group’s Materiality**

<table>
<thead>
<tr>
<th>Priority SDG initiatives</th>
<th>SDGs of particular relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realize a sustainable global environment</td>
<td>Respect for all people</td>
</tr>
<tr>
<td>Realize a safe, secure, and comfortable society</td>
<td>Strengthen corporate governance and compliance on a sustainable basis</td>
</tr>
<tr>
<td>Create a sustainability-oriented corporate culture</td>
<td></td>
</tr>
</tbody>
</table>

**Medium-term Management Plan Towards FY2026**

**Financial Targets**

The Mitsubishi Electric Group aims to achieve revenue of 5 trillion yen and an operating profit rate of 10% by fiscal 2026. We also aim for an ROE of 10%, as well as to generate cash of 3.4 trillion yen over the five-year medium-term management plan period.

<table>
<thead>
<tr>
<th>FY2026 Financial Targets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>¥5 trillion</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>10%</td>
</tr>
<tr>
<td>ROE</td>
<td>10%</td>
</tr>
<tr>
<td>Cash Generation*</td>
<td>¥3.4 trillion/5 years</td>
</tr>
</tbody>
</table>

* Adjusted operating cash flow (CF)

**Strengthening of Business Portfolio Strategy**

To achieve sustainable growth, the Mitsubishi Electric Group will categorize its businesses based on their characteristics and invest management resources with priority placed on focus areas, thereby strengthening its business portfolio strategy and improving profitability. We will strategically invest our management resources into key growth businesses: Factory Automation (FA) Control Systems Business, Air Conditioning & Refrigeration Systems Business, Building Systems Business, Automotive Equipment Business (EV/AI/AVAS*), and Power Semiconductor Devices Business. In this way, we will shift resources to highly profitable businesses with strong growth. We will also engage in initiatives with development businesses and new areas of business, expanding our solutions business with data integration and utilization and transforming the business model of our existing businesses to create next-generation businesses.

* "Sustainable Development Goals" adopted by the United Nations as goals to achieve towards 2030

**Expansion of Integrated Solutions**

By promoting digital transformation throughout our businesses, we will coordinate and analyze data from our equipment and systems to offer optimal solutions that suit the needs of our customers. We will also expand our solution business in collaboration with our customers and through actively pursuing M&A.
**Corporate Strategy**

**Enhancement of Business Foundation**

1. **Operation DX**
   In April 2021, Process & Operation Re-engineering Group has been established. It serves at the core of operations to optimize the Mitsubishi Electric Group as a whole by revamped operational processes, and promoting Operation DX through streamlining operations and improving productivity utilizing data and digital technologies.

2. **Global Response**
   Strengthens supply and engineering chains globally. Quickly detect and analyze changes in the global political and economic environment in order to respond with agility.

   - Strengthen our global business structure
   - Strengthen the launch of overseas business models
   - Build a supply chain that can flexibly respond to various changes

3. **Optimal Group Management System**
   Pursue an optimal group management system by strengthening the functions and reviewing the division of roles of affiliated companies in each value chain.

   **Design**
   - Develop structures and strengthen the development capability of S/W design companies that can accommodate the enhancement of Key Growth Businesses and the expansion of Integrated Solutions (improve productivity, increase personnel, incorporate new technology, etc.).

   **Logistics**
   - Develop a logistics system with the option of concluding strategic partnerships with global logistics companies, and rapidly respond to changes in the logistics environment and improve efficiency by introducing an advanced platform.

   **Maintenance & Service**
   - Enhance our recurring revenue business by taking advantage of connection with customers, establish a business structure that maximizes lifetime profits, and create business opportunities by sharing and making effective use of information accumulated within the Group.

   **Internal Operation Support**
   - Focus on employee welfare and tasks essential for rolling out each of our businesses, and improve efficiency primarily through the use of outsourcing.

4. **R&D Strategy**
   Pursue the enhancement and reform of existing businesses as well as R&D for new value creation in a balanced manner. Aim to address social challenges at an early stage through the active use of open innovation.

   **Strengthen core technologies**
   - Driving force for profitability improvement
   - Technology to drive business
   - New business generation
   - Such as AI and new materials.

   **Continuously enhance base technologies**
   - Further enhance technologies that support quality of and build trust in our products, systems, and services, such as power electronics, control, modeling, material analysis, AI, security, and data analysis/links.

   **Search for and create new technologies**
   - Take on the challenge of developing technologies that meet the needs generated by social change, as well as next-generation technologies that transform existing businesses, in a discontinuous manner, based on future insights and analysis of technological trends. Also, focus on expanding our proprietary technologies to create new usages and develop new customers.

5. **Intellectual Property/Standardization Strategy**
   Focus on acquiring intellectual property rights related to AI and solutions that contribute to Business DX, and expand our business through stronger external collaboration based on our technological assets. In addition, promote a triptych management that aligns business strategy, R&D strategy, intellectual property/standardization strategy for addressing social challenges and expanding our businesses.

**Sustainability Initiatives**

1. **Initiative to Realize a Decarbonized Society**
   In June 2019 we announced Environmental Sustainability Vision 2050*, proclaiming that we will aim to reduce greenhouse gas emissions from our entire value chain by more than 80%. However, given the acceleration of efforts toward a decarbonized society, we have reviewed the target, and we will further strengthen our endeavors to reduce greenhouse gas emissions. We aim to achieve net-zero emissions across the entire value chain by 2050.

   *Positions environmental protection as an even greater corporate priority and stipulates increased initiatives to be taken by the Mitsubishi Electric group.

**Greenhouse gas emissions in the entire value chain**

- **2050 Net-zero**
- **2050 80% reduction**

**Environmental Sustainability Vision 2050**

- **1. Increased contribution to reducing CO2-emission factor of electric power**
- **2. Reduction of emissions by products**
  - Reduced power consumption of products
  - Reduced greenhouse gas emissions from products
  - Provision of energy-saving and energy creating solutions
- **3. Reduction of emissions in production**
- **4. Improvement of efficiency and spread of Power Semiconductor Devices, etc.**

**Employee Engagement**

Taking recent work-related issues seriously and making the prevention of recurring work-related issues key management priorities, the Mitsubishi Electric Group is promoting our Workplace Culture Innovation Program. With third-party verification by external experts, this program is creating a workplace where all employees cooperate to maintain sound mental and physical health and work with peace of mind.

**Human Rights and Diversity**

With respect for human rights based on international regulations serving as a foundation, Mitsubishi Electric Group will conduct human rights impact assessments, improve our response at contact points that receive complaints and consultations related to human rights, and strive to grasp and correct human rights violation risks in our supply chain right across the organization.

To promote diversity, we will strengthen activities aimed at creating workplaces where individuals can maximize their talents, such as by increasing the ratio of female managers, driving co-creation by fostering an understanding of LGBTIQ+ people and hiring a larger number of people with disabilities, as well as actively promoting local staff to managerial positions at overseas bases.

**Information Security, Product and Service Quality**

Based on past incidents of unauthorized access, we will reinforce our information security infrastructure and strengthen measures against the latest attack patterns, which are becoming increasingly sophisticated and elaborate. To prevent the recurrence of improper conduct in quality control, we will strengthen education to achieve a fundamental improvement in awareness and structures, and we will strengthen our quality control system so that our products and services conform with relevant laws, regulations and standards.

*1) LGBTIQ+ = Lesbian, Gay, Bisexual, Transgender, Queer(Questioning)
At a Glance

Fiscal 2021 Topics

Mitsubishi Electric’s Nagoya Works in Nagoya, Aichi Prefecture has been in operation for over 60 years, serving as a hub for the creation of new businesses and services.

Mitsubishi Electric acquired buildings and land from Sharp Fukuyama Semiconductor Co., Ltd., a wholly-owned subsidiary of Sharp Corporation located in Fukuyma in Hiroshima Prefecture, Japan. The acquired properties will serve as a new production site for Mitsubishi Electric’s Power Device Works until 2023.

Mitsubishi Electric began its elevator and escalator business in 1925, and achieved its 500,000th unit in Japan in September 2020. Shipments in China, which began in 1987, reached one million units in November 2020.

Mitsubishi Electric became the first in the world™ to develop a highly-efficient synchronous reluctance motor with the world’s largest level of output for railway vehicles, and inverter control technology that achieves variable control for this motor. *21(February 23, 2021), according to a survey by Mitsubishi Electric.

Mitsubishi Electric became the first in the world™ to develop a self-powered i-Door, a next-generation swing door equipped with a magnetic attraction system for a simple and natural entry. *20(October 19, 2021).

Mitsubishi Electric gave a total of 250,000 dollars in cash to each of its Supplier Engagement Leaderboard, the highest ranking Supplier Engagement program ranked by CDP, an international non-governmental organization, has given Mitsubishi Electric its highest A List rankings for climate-change action and water stewardship.

Mitsubishi Electric has revised its corporate philosophy system to update the Group’s reason for existence as well as the core values and attitudes that all employees are asked to embrace and cherish in order to create a sense of mission.

Mitsubishi Electric has developed i-Talk under ClariSense Board. It contributes to development and expansion of IoT-related knowledge and technical assets for fast creation of customer value.

Mitsubishi Electric has developed Diamond Vision™ LED screen in the arena at Yokohama International Swimming Pool in Yokohama, Kanagawa Prefecture, Japan. Mitsubishi Electric has delivered a large four-sided center hung Diamond Vision™ LED screen in the arena at Yokohama Budokan (located in the city of Tokyo, Japan) for the 2020 Tokyo Olympic and Paralympic Games.

Mitsubishi Electric has delivered an autonomous delivery robot for multi-purpose features, a self-driving delivery robot designed to carry Heavy loads of 100 kg or more, to the JRL-2022 autonomous vehicle challenge.


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Mitsubishi Electric’s Power Device Works will produce modules for the manufacture of power semiconductors.

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Review of Operations

Energy and Electric Systems

Revenue Breakdown by Business Segment

- Railway Lifecycle Management Solution (LMS)
- Electricity ICT Solution Package BLENDer
- Natural Ester Oil Power Transformer MELCONE-NEO
- MELCONE-NEO™
- Network Camera System
- NEXIEZ Machine-room-less Elevators
- Mitsubishi u series Escalators

The market of the social infrastructure systems business saw a decrease in demand relating to power generation worldwide and the reconsideration of the capital expenditure plans by railway companies in Japan due to the impact of COVID-19, while investment in public utilities for preventing and reducing disaster risks and demand related to the electricity systems reforms remained buoyant in Japan. In this environment, the business saw a decrease in orders from the previous fiscal year due primarily to decreases in the transportation systems and the power systems businesses in Japan, while revenue increased from the previous fiscal year due mainly to progress in orders already received for projects in the power systems business and an increase in the public utility systems business in Japan.

The market of the building systems business saw decreased demand in new installations and renewals of elevators and escalators worldwide due to delay in construction and the reconsideration of the capital expenditure plans that happened in stagnation caused by the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due primarily to decreases in Asia and Japan.

As a result, revenue for this segment decreased by 3% from the previous fiscal year to ¥1,270.2 billion yen.

Operating profit increased by 26.6 billion yen from the previous fiscal year to ¥108.9 billion yen due mainly to a shift in project portfolios and cost improvement.

Industrial Automation Systems

Revenue Breakdown by Business Segment

- Programmable Logic Controllers
- AC Drives
- AC Servos
- Computerized Numerical Controllers (CNCs)
- Electric Power Steering (Motors and Controllers)
- Car Navigation System
- Motors and Inverters for Electric Motor Vehicles

The market of the factory automation systems business saw an increase in demand relating to 5G and semiconductor outside Japan and demand relating to increased mask production in China, while there was continuing stagnation in automotive-related demand worldwide and machinery- and building-related demand in Japan. In this environment, the business saw an increase in orders due primarily to an increase in demand relating to semiconductor and lithium-iron batteries, while revenue remained substantially unchanged from the previous fiscal year.

The market of the automotive equipment business saw a decrease in demand for new cars in all regions except for China due to the impact of COVID-19 primarily in the first half. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in electrical components despite an increase in electric vehicle-related equipment such as motors and inverters.

As a result, revenue for this segment decreased by 7% from the previous fiscal year to ¥1,248.5 billion yen.

Operating profit decreased by 28.3 billion yen from the previous fiscal year to 40.5 billion yen due mainly to decreased revenue.

Mitsubishi Electric’s new series of programmable logic controllers supports a wide array of production and social infrastructure applications; solutions range from control and safety devices to information and instrumentation management. As a leading global brand, the MELSERVO series contributes to the construction of cutting-edge control systems owing to its capabilities, performance, product variety, and high reliability.

Mitsubishi Electric’s MELSERVO series of programmable logic controllers supports a wide array of production and social infrastructure applications; solutions range from control and safety devices to information and instrumentation management. As a leading global brand, the MELSERVO series contributes to the construction of cutting-edge control systems owing to its capabilities, performance, product variety, and high reliability.

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Review of Operations

The market of the information systems and service business saw delays and cancellations of system development projects, particularly in the manufacturing industry, due to the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in the system integrations business.

The electronic devices business saw decreases in both orders and revenue from the previous fiscal year due to a decrease in large-scale projects for other countries; more than ten satellites currently in operation. It has already been adopted for use by Japan and other countries; more than ten satellites currently in operation. It will eventually be incorporated into JAXA’s Engineering Test Satellite 9, which is being launched in response to the need for high-throughput communications satellites.

The market of the electronic devices business saw a slowdown in demand for power modules used in railcar and industrial applications, while demand for high frequency and optical devices relating to next-generation data centers remained buoyant. In this environment, the business saw an increase in orders from the previous fiscal year due mainly to an increase in power modules used in automotive applications, while revenue decreased by 2% from the previous fiscal year to 205.2 billion yen due mainly to decreases in TFT-LCD modules and power modules used in industrial and railcar applications despite an increase in high-frequency and optical devices, particularly in optical communication devices.

Operating profit decreased by 2.4 billion yen from the previous fiscal year to 6.2 billion yen due mainly to decreased revenue.

Power Semiconductor Modules

Our power semiconductor modules help reduce the power consumption of power electronics equipment such as home appliances, motion control, renewable energy, power supplies, power transmission, traction, and automobiles. The product lineup includes SiPMs, SiC/BST modules and IPMs, and contributes to global environmental innovation.

SiC* Power Semiconductor Modules

With significantly lower power loss than Si and capabilities that include the enabling of high-speed switching operations and high-temperature operation among others, the SiC power device significantly reduces the power consumption of every type of power electronics equipment such as home appliances, industrial equipment, traction, and automobiles and contributes to the realization of both a decarbonized society and an affluent lifestyle in a sustainable future.

Optical Devices for Optical Communication

The product lineup is optimal for all types of optical fiber communication facilities which are used in base stations for 5G, the fifth-generation mobile communication system, and also used in large-scale datacenters and other equipment that support the transition to cloud computing. This lineup contributes to faster speeds, greater capacity and transmission distance, and equipment size reduction.

GaN* High Frequency Devices

GaN promises to provide higher efficiency, higher output and wider bandwidth than Si. By employing GaN transistors, GaN high-frequency devices contribute to faster communication speeds, increased information transmission volume, and smaller power amplifiers for base transceiver station networks in fifth-generation mobile communication systems (5G) and earth stations in satellite communication systems (SATCOM).

Thermal Diode Infrared Sensor MelDIR*

With a larger pixel count and higher temperature-resolution, MelDIR obtains more detailed thermal images, distinguishes people from objects, and enables the identification of specific human behavior. MelDIR can be implemented into a wide range of applications including security, air conditioning, temperature measuring, surveillance, head-counting solutions, and smart buildings.

TFT-LCD Modules

Being highly vibration resistant and possessing a wide operating temperature range, and a single-level display performance including a super wide viewing angle and super high brightness and contrast, the TFT-LCD module supports a wide range of industrial instruments such as construction machines used in harsh environments and those for outdoor use. The product lineup includes high-value added products such as a touch panel mounted, a transflective, with a NFC 

CIS* Image Sensor

Mitsubishi Electric develops a variety of proprietary key parts from CMOS sensor ICs to light sources based on expertise we have accumulated through our long experience and provides high-definition images with high-speed digital output. Many customers in and outside Japan are using our high-quality and high-performance copy machines, financial devices, and Mitsubishi CIS for inspection.

SiC: Silicon carbide, composed of silicon and carbon at a ratio of 1:1

GaN: Gallium nitride

MelDIR: Mitsubishi Electric Diode Infrared sensor

MFC: Near Field Communication
The market of the home appliances business saw a decrease in demand for a part of air conditioners globally due primarily to the impact of COVID-19 causing lockdowns and considerable limitation of economic activities outside Japan, particularly in the first half, and reforms in the lives of people due to the pandemic causing a decrease in demand for a part of air conditioners.

Operating profit decreased by ¥2.4 billion year on year to ¥75.7 billion, which is down 5% year on year.

Home Appliances

To meet air conditioning needs globally, Mitsubishi Electric offers energy-saving home environments using highly efficient air conditioners and ventilation systems, water heaters and cooking equipment. Create a comfortable living environment for the whole family.

- Air Conditioning & Refrigeration Systems
  In addition to KIRASAYNE room air conditioners, Mitsubishi Electric offers an extensive lineup of products with applications extending from stores, offices, and buildings to factories and industrial facilities while featuring environmentally compatible, energy-saving technologies. These qualities allow Mitsubishi Electric to meet air conditioning needs globally.

- Home Equipment
  Mitsubishi Electric offers energy-saving home environments using highly efficient air conditioners and ventilation systems, water heaters and cooking equipment. Create a comfortable living environment for the whole family.

- Home Appliances
  Mitsubishi Electric develops home appliances by incorporating its unique technologies and perspectives so that its products can be used in various scenes of daily life, such as the kitchen, living room, and bedroom. Efforts are made to develop products that contribute to making life more comfortable for users, meeting and even surpassing their expectations.

- Lighting Fixtures and Light Bulbs
  Mitsubishi Electric offers an extensive lineup of highly efficient, long-lasting LED products that meet diverse needs for energy-saving light bulbs and equipment in households, stores, offices, and factories. The company’s LED products make the future brighter for families and society as a whole.

- Recycling Consumer Electronics and Home Appliances
  Mitsubishi Electric has developed technologies for automatically sorting the three major types of plastics (polypropylene (PP), polyethylene (PE), and acrylonitrile-butadiene-styrene (ABS)) used in consumer electronics and home appliances. This original recycling system is being utilized to promote the reuse of plastics in the company’s products by improving the physical properties of the sorted materials.

Major R&D Achievements in Fiscal 2021

- Development of Radar-based Tsunami Flooding Prediction AI
  Incorporating the AI technology “Maisart”
  *1, the company has developed an AI technology that forecasts water inundation depths nearly simultaneously with the detection of a tsunami with a high degree of accuracy. This development trains an AI on the relationship between flow speed and inundation depths using simulations of various earthquakes. When an earthquake occurs, the AI detects the tsunami and observes the flow speed via radar, and calculates the inundation depth at the prediction site. The new system is able to provide a more accurate prediction in just several seconds after the detection of the tsunami, while the conventional system took several minutes to make a prediction.
  
  Through this development, the company will support rapid formulation of evacuation plans and prevent or mitigate disasters in local inland areas.

- GaN Power Amplifier Module for 5G*1 Base-Stations
  Development of this technology realizes small, high-efficiency GaN power amplifier modules for 5G base-stations. This module offers a combination of compact footprint and extra-high efficiency exceeding an unprecedented rating*2 through proprietary high-density mounting technology and highly efficient circuit design technology. This technology reduces footprint by blocking interference between chip components based on advanced electromagnetic field analysis methods. It also uses Gallium nitride (GaN) power transistors capable of highly efficient operation, which reduce power loss by minimizing the number of chip components.
  
  The module will help to improve installability due to the compact footprint and to reduce the power consumption of 5G base-stations.

- Tsunami-flooding Prediction AI
  **Development of Radar-based Tsunami Flooding Prediction AI**

  The system is designed to predict tsunami inundation depth with high accuracy immediately after the tsunami is detected.

  **Development of 5G GaN Power Amplifier Module**

  5G base-stations operate many multi-element antennas in a coordinated manner. For this reason, the antenna elements must be mounted densely on the base-station, and there is demand to reduce the size of each component as well as to reduce energy consumption. The company has developed a new technology to realize a gallium nitride (GaN) power amplifier module for 5G base-stations. This module offers a combination of compact footprint and extra-high efficiency exceeding an unprecedented rating*2 through proprietary high-density mounting technology and highly efficient circuit design technology. This technology reduces footprint by blocking interference between chip components based on advanced electromagnetic field analysis methods. It also uses Gallium nitride (GaN) power transistors capable of highly efficient operation, which reduce power loss by minimizing the number of chip components.

  The module will help to improve installability due to the compact footprint and to reduce the power consumption of 5G base-stations.

  **Operation of radar-based tsunami flooding prediction AI**

  **Installations of the GaN power amplifier module as a 5G base-station**

  **Contributing to disaster prevention and reduction**

  By predicting tsunami inundation depth with high accuracy immediately after the tsunami is detected.

  **Contributing to easier installation and lower power consumption for 5G base-stations applying proprietary high-density mounting technology and high-efficiency circuit design technology.**

  **Development of new technology to realize small, high-efficiency GaN Power Amplifier Module for 5G Base-Stations**

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  **Contributing to easier installation and lower power consumption for 5G base-stations applying proprietary high-density mounting technology and high-efficiency circuit design technology.**
Intellectual Property

- Protection of Intellectual Property Rights

Basic Policy
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society. The Mitsubishi Electric Group recognizes that intellectual property (IP) rights represent a vital management resource essential to its future and must be protected. Through integrating business, R&D, and IP activities, the Group is proactively strengthening its global IP assets, which are closely linked to the Group’s business growth strategies and contribute to both business and society, and also working on protecting IP rights.

Structure of the Intellectual Property Division
The IP divisions of the Mitsubishi Electric Group include the Head Office IP Division, which is the direct responsibility of the president, and the IP divisions at the Works, R&D centers, and affiliated companies. The activities of each IP division are carried out under the executive officer in charge of IP at each location. The Head Office IP Division formulates strategies for the entire Group, promotes critical projects, coordinates interaction with external agencies including patent offices, and is in charge of IP public relations activities. At the Works, R&D center, and affiliated company level, IP divisions promote individual strategies in line with the Group’s overall IP strategies. Through mutual collaboration, these divisions work to link and fuse their activities in an effort to develop more effective initiatives.

Integrating Business, R&D and IP Activities

Integration
IP Network
IP/Standardization Strategy
IP Divisions at Headquarters

IP Departments
Business Strategy
IP Departments Within Group Facilities, Volunteers

R&D Centers
IP Departments

Respecting IP Rights
The Mitsubishi Electric Group firmly recognizes the importance of mutually acknowledging and respecting not only its own intellectual property rights but the intellectual property rights of others as well. This stance is clearly set forth in the Mitsubishi Electric Group Conduct Guidelines and practiced throughout the Group.

Any infringements on the IP rights of others not only violate the Code of Corporate Ethics and Compliance, but also have the potential to significantly impair the Group’s continued viability as a going concern. The resulting potential impairments include being obliged to pay significant licensing fees or being forced to discontinue the manufacture of a certain product. In order to prevent any infringement on the IP rights of others, various educational measures are provided mainly to engineers and IP officers, to raise employee awareness and promote greater respect for the IP rights of others. At the same time, a set of rules has been put in place to ensure that a survey of the patent rights of others is carried out at every stage from development to production, and is strictly enforced throughout the entire Group.

The Mitsubishi Electric Group also works diligently to prevent any infringement on its IP rights by others. In addition to in-house activities, we place particular weight on collaborating with industry organizations while approaching government agencies both in Japan and overseas as a part of a wide range of measures to prevent the counterfeiting of our products.

Global IP Strategy
The Mitsubishi Electric Group identifies critical IP-related themes based on its mainstay businesses and important R&D projects, and is accelerating the globalization of IP activities also by filing patents prior to undertaking business development in emerging countries where an expansion of business opportunities is expected. Furthermore, resident officers are assigned to Mitsubishi Electric sites in the United States, Europe, China, and Southeast Asia to take charge of IP activities and strengthen the IP capabilities of business offices, R&D centers, and affiliated companies in each country. Through these initiatives, we strive to create a robust global patent network.

As an indication of the Mitsubishi Electric Group’s IP capability and global IP activities, the company ranked No.2 in Japan in terms of the number of patent registrations (in 2020) announced by the Japan Patent Office (JPO), and No.3 in the world in terms of Patent Cooperation Treaty (PCT) applications by Mitsubishi Electric*1.

Sustainability at Mitsubishi Electric Group

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Sustainability at Mitsubishi Electric Group

Basic policy of Sustainability

The Mitsubishi Electric Group regards its sustainability initiatives as the foundation of its corporate management, and implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment." It is crucial to maintain communication with various stakeholders to pursue initiatives for achieving a sustainable society, as well as to incorporate the expectations, requests, and opinions from society into activities and to avoid acts that will inconvenience society. By ensuring transparent disclosure of information on sustainability, the Mitsubishi Electric Group aims to obtain a favorable response from stakeholders, and to realize a vibrant and sustainable society together with its stakeholders.

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by a Sustainability Committee appointed by Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's management departments (23 members in charge of environmental, social, and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year; decides on future activity plans; and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group. The details of Sustainability Committee meetings are reported to the senior executives through the Executive Officers’ Meeting and the Audit Committee.

Knowing that sustainability activities are directly linked to corporate management, each department responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements their own initiatives, based on the sustainability policy of the Mitsubishi Electric Group. In addition to the Sustainability Committee, which is generally held at least twice a year, various activities are also promoted and implemented in communication with the Sustainability Expert Committee and Sustainability Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the Sustainability Committee.

Main agenda of the Sustainability Committee (held in April 2021)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Sustainability initiatives at the management level
- Review of materiality
- Responses to the sustainable development goals (SDGs)
- Further enhanced information disclosure that takes into account ESG (environmental, social, governance) investment on a sustainable basis
- Human rights initiatives

Sustainability Promotion System

Materiality

The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize the "vibrant and sustainable society" that we have committed to in our corporate philosophy. We have identified five areas as materiality (important challenges) to solve social challenges through our businesses and as part of our "management foundation that supports sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges starting with contributing to achieving the SDGs. We will actively disclose information on the status of our materiality efforts and promote engagement with stakeholders.

Sustainability Planning Div.

Director-general:

Director in charge of Sustainability

Chairman:

Sustainability Committee

Executive Officers

Sustainability Committee

Overseas Affiliates

Sustainability

Executive Officers

Overseas Affiliates in Japan

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Focusing on the SDGs

In line with the materiality identified for fiscal 2022, we reviewed the SDGs to address on a priority basis that we determined in fiscal 2019. In the course of reviewing our goals, we conducted an internal and external survey. As a result of it, we found that Mitsubishi Electric is expected to contribute to realizing social challenges through its business activities. Based on a study within the company, we set SDGs 3, 7, 9, 11, and 13 as the Priority SDG initiatives, which correspond to "realize a decarbonized society" and "solve social challenges in the four areas of Life, Industry, Infrastructure, and Mobility," the areas that the Group will focus on going forward. By further promoting initiatives to create value for these goals to which we can contribute significantly as a comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

Goal 7: Affordable and Clean Energy

Energy savings in production and products and services, etc., for realizing a decarbonized society

Goal 9: Industry, Innovation, and Infrastructure

Industry field

Goal 11: Sustainable Cities and Communities

Infrastructure and Mobility fields

Goal 13: Climate Action

Realization of a decarbonized society

In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through our materiality initiatives.
Sustainability at Mitsubishi Electric Group

G: Governance

Corporate Governance

Basic Corporate Governance Policy
While maintaining the flexibility of its operations and promoting management transparency, Mitsubishi Electric, as a Company with Three-committee System, works to strengthen the supervisory functions of management with the goal of realizing sustained growth. Our fundamental policy is to build and improve a corporate structure that is more able to meet the expectations of society, customers, shareholders, employees and all of its stakeholders while endeavoring to further increase corporate value.

Corporate Management and Governance Structure

Corporate Management Structure
In June 2003, Mitsubishi Electric became a Company with Three-committee System. Key to this structure is the separation of supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company.

A salient characteristic of Mitsubishi Electric’s management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all Executive Officers, are clearly separated. Additionally, neither is included among the members of the Nomination and Compensation Committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

The present Board of Directors is comprised of twelve members (five of whom are Outside Directors, one of whom is a woman), who objectively supervise and advise the Company’s management by executing their duties based on the objectives and authority of the Companies Act, and then execute such operations. Important items among such matters delegated by the Board of Directors are deliberated and decided upon in Executive Officers’ meetings attended by all Executive Officers.

Internal Control System
For the execution of the duties of the Audit Committee, its independence is secured by assigning employees whose job is exclusively to assist the Audit Committee members. In addition, internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members are established and such expenses and debts are properly processed.

A system for reporting to the Audit Committee is developed to report information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control, and an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the Audit Committee members attend important meetings including Executive Officers’ meetings and conduct investigations such as interviews with Executive Officer and the bodies of the Company’s offices and subsidiaries, and undertake deliberations to determine audit policies, methods, implementation status, and results of the audit by regularly receiving reports from the Independent Auditor and Executive Officers in charge of audits.

Executive Officers make decisions about the execution of operations on matters delegated by the Board of Directors within the range of duties allocated to each Executive Officer based on the objectives and authority of the Companies Act, and then execute such operations. Important items among such matters delegated by the Board of Directors are deliberated and decided upon in Executive Officers’ meetings attended by all Executive Officers.

Committees to support directors. The Audit Committee is supported by dedicated independent staff.

Audit Committee

1. Organization, members, and procedures of the Audit Committee
The Audit Committee is made up of five Director, three of whom are Outside Directors. The Committee audits the legality, adequacy, and efficiency of the execution of the duties by Director and Executive Officers and creates an audit report to be submitted to the shareholders’ meeting with its resolution.

Masaaki Sagaue, member of the Audit Committee, has long years of experience in the accounting and financial operations of the Company and its affiliates. Kazuo Uosaki, a member of the Audit Committee, is a Certified Public Accountant and has a considerable degree of knowledge about finance and accounting.

The Audit Committee has four dedicated staffers who take direct orders from Audit Committee members and support them in executing their duties.

2. Frequency of the Audit Committee meeting and attendance of each Audit Committee member
In fiscal 2021, Mitsubishi Electric held a regular Audit Committee meeting once a month in principle (and two special meetings). Each meeting would take about two hours. The attendance of each Audit Committee member is as shown below.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance/Meetings</th>
<th>Attendance rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside Director (Chairman)</td>
<td>Hiroshi Shibusawa</td>
<td>14/14</td>
<td>100%</td>
</tr>
<tr>
<td>Director (full-time)</td>
<td>Masaaki Sagaue</td>
<td>14/14</td>
<td>100%</td>
</tr>
<tr>
<td>Director (full-time)</td>
<td>Takashi Sakamoto</td>
<td>11/11</td>
<td>100%</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Kazuo Uosaki</td>
<td>14/14</td>
<td>100%</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Takashi Goya</td>
<td>14/14</td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes: 1. Out of the above members, Masaaki Sagaue and Takashi Sakamoto are responsible for internal audit.
2. Because Takashi Sakamoto was appointed as Director in June 26, 2020, his attendance after his appointment is shown.

3. Activities of the Audit Committee members
The Audit Committee members mainly those responsible for investigation (full-time Audit Committee members) attend Executive Officers’ meetings and other such important conferences, and conduct interviews and surveys of Executive Officers and the executive staff of Mitsubishi Electric offices and affiliates in accordance with the policies and assignments agreed upon the Committee.

Divisions in charge of internal control, including the Corporate Auditing Division, submit internal audit reports to the Audit Committee members, who hold meetings such as those to discuss internal audit policies and periodic report meetings to exchange opinions. Outside Audit Committee members visit our offices, affiliates, and other locations with the members responsible for investigation as needed and offer their opinions based on their expert knowledge at the Audit Committee meeting and other occasions.

In addition, the Audit Committee members discuss policies and methods of auditing with accounting auditors, who furnish them with reports on the status and results of the audits of the Company that they themselves conduct, and exchange opinions with them.

4. Agenda of the Audit Committee
The main agenda of the Audit Committee include the determination of audit policies and activity planning, check on the execution of the duties by Directors and Executive Officers and the establishment and operation of the internal control system, check on methods of auditing by accounting auditors and validity of results, and evaluation of accounting auditors and decision on whether to reappoint them.

Especially in fiscal 2021, the Audit Committee focused on checking and verifying how the Mitsubishi Electric Group has strengthened its business foundation including the internal control and compliance systems, improved its profitability and profit sharing performance. After thorough reconfirming its business foundation, the Company is promoting the Mitsubishi Electric Workplace Reform Program, with the aim of ensuring compliance with relevant laws, regulations, and contractual specifications. The Audit Committee will continue to closely monitor the progress of these measures to prevent recurrence, in order to ensure their steady implementation.

5. Effectiveness evaluation of the Audit Committee
The Audit Committee conducts evaluation to improve performance every year. In the Audit Committee review in fiscal 2021, outside Audit Committee members concluded that the members responsible for investigation (full-time Audit Committee members) periodically report their activity results and that management information is properly shared in a timely manner in the Audit Committee. Although we believe that this evaluation in effect endorses the performance of the Audit Committee, we will continue to make efforts to improve performance.
Sustainability at Mitsubishi Electric Group

Providing Directors with Appropriate Information at the Appropriate Time, and Conducting Reviews of the Board with Analyses and Evaluations

In fiscal 2021 we held eight Board of Directors meetings (six ordinary meetings and two extraordinary meetings) to make decisions about important matters such as basic management policy, appointment of Executive Officers, and internal control systems. In addition, we had Executive Officers report on the details and progress of the fiscal year’s management plan, progress of the response to management issues in each business, and important issues deliberated on at Executive Officers’ Meetings, and discussed them. This year in particular, the Board held a discussion on devising the medium-term management plan that the Company announced in June 2021. It also deliberated and reported on causes and ways to prevent the recurrence of recent issues of work-related, information security, and product and service quality.

Every year, we had a Board of Directors review to further enhance the functioning of the Board of Directors, based on progress of the matters discussed at the meetings. This year we surveyed the Directors, and the Board of Directors discussion results as follows.

1. Organization, members, and procedures for internal audit
   An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its affiliates in Japan and overseas by improving management efficiency, strengthening risk management, thoroughly observing the code of corporate ethics and ensuring compliance, and enhancing internal control.

   With approximately 60 members acting independently in Japan and overseas, Mitsubishi Electric’s Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division’s activities are supervised by auditors with extensive knowledge of their particular fields, assigned from various business units. The Corporate Auditing Division reports the results of such audits to the President & CEO and the Audit Committee.

2. Relationship with the divisions in charge of internal control
   In the Mitsubishi Electric Group, the administration divisions such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Compliance Division, and the Corporate Export Control Division inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each business division has its own compliance department, which relay information, company-wide compliance policies and ensures the compliance status in each business division.

3. Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit
   The Corporate Audit Unit Division reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

   The Corporate Auditing Division also reports internal audit results to the accounting auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

4. Mutual relations and status of questions
   The configuration, size, etc. of the Board and ways to prevent the reoccurrence of recent issues of work-related, information security, and product and service quality.

   Members discuss, analyze and evaluate the survey results as follows.

- The configuration, size, etc. of the Board
- Frequency, scheduling, and time spent on the meetings

   Regarding the configuration, size, etc. of the Board, meetings entailed more liberal discussions and exchanges from many angles regarding work-related, information security, and product and service quality. With the meetings becoming more detailed and discussions are deepening, prolonging meeting times, and it would be preferable to further improve reporting from corporate divisions to the Board of Directors. As such, it may be worthwhile to hold the Board of Directors meetings more frequently. There were also views calling for better reporting on the progress of initiatives such as those on sustainability and human resource policies, and for continued progress reporting on recent issues regarding work related, information security, and product and service quality. With these in mind, we are planning to hold ordinary Board of Directors meetings more frequently from fiscal 2022 and have more comprehensive reporting from the Executive Officers and discussions based on their reports.

   Going forward, we will continue to hold the Board of Directors reviews to further improve the Board’s functioning.

5. The configuration of the Board of Directors
   Every year, we hold a Board of Directors review to further enhance the functioning of the Board of Directors, based on progress of the matters discussed at the meetings. This year, we have surveyed the Directors, and the Board of Directors discussion results as follows.

   (1) The Board of Directors comprises Outside Directors and Directors. The Board of Directors comprises Directors, and Outside Directors are appointed by the General Shareholders Meeting. The number of Outside Directors is determined by the General Shareholders Meeting. The Board of Directors comprises Outside Directors and Directors. The Board of Directors comprises Directors, and Outside Directors are appointed by the General Shareholders Meeting. The number of Outside Directors is determined by the General Shareholders Meeting. The Board of Directors comprises Directors, and Outside Directors are appointed by the General Shareholders Meeting.

   (2) Directors give advice and supervise the Company’s management from an objective point of view, and therefore, the basic policy of the compensation scheme for Directors is the payment of fixed-amount compensation.

   (3) The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the fixed-amount compensation, as follows:

   a. The compensation scheme should reflect awareness of the contribution to the improvement of the mid- and long-term business performance, and to the enhancement of the Group’s corporate value.
   b. The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.
   c. The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (4) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (a) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (b) The compensation scheme for Directors should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.

   (c) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (d) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (e) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (f) The compensation scheme should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.

   (g) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (h) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (i) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (j) The compensation scheme should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.

   (k) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (l) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (m) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

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   (o) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (p) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (q) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (r) The compensation scheme should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.

   (s) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (t) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (u) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (v) The compensation scheme should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.

   (w) The compensation scheme should be closely linked with the Company’s performance, which is highly transparent and objective.

   (x) The compensation scheme should aim at sharing of interest with shareholders and ranking management awareness which places importance on the interest of shareholders.

   (y) In order to introduce the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will adopt a compensation scheme for Directors that are independently considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s condition.

   (z) The compensation scheme should raise awareness of the contributions to the governance of the Company and the Group, thereby increasing the incentives for the improvement of the Group’s corporate value.
**Sustainability at Mitsubishi Electric Group**

**Independency Guideline for Outside Directors**

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company’s business operations and not falling under any of the following cases, as candidates for Outside Directors. Each of the following 1), 2), 3), 4), 5) and 6) includes a case in any fiscal year during the past three fiscal years:

1. Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereafter “business executives”) at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated sales of the Company or the counterparty.
2. Persons who serve as business executives at a company to which the Company has borrowings that exceed 2% of the consolidated total assets. The Company has borrowings that exceed 2% of the consolidated total assets.
3. Persons who are related parties of the Company’s independent auditor.
4. Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants.
5. Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization.
6. Persons who are the Company’s major shareholders (holding more than 10% of voting rights) or who serve as their business executives.
7. Persons who are related parties of a person or company that have material conflict of interest with the Company.

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the Audit Committee, accounting auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable comments regarding Mitsubishi Electric’s management from an objective perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board’s function of supervising management.

**Outside Directors (as of June 29, 2021)**

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Positions Held</th>
<th>Reasons for Nomination</th>
<th>Percent of Shares Holded (as of June 29, 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside Director</td>
<td>Morita Yosuke</td>
<td>Chairman of the Nomination Committee, Member of the Compensation Committee</td>
<td>Mr. Yosuke’s experience and insights as an expert in international affairs enabled through the course of his career are highly beneficial to Mitsubishi Electric. Serving as Managing Director of the Company since June 2014, he has enhanced the Company’s business operations, taking into consideraion his roles in the Company’s Audit Committee. The Company expects him to oversee the Company’s business operations, by using a wide range of experience and insights especially in the fields of audit and governance, regulatory affairs, corporate management, and financial management.</td>
<td>100% (8/8)</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Hiroshi Obayashi</td>
<td>Member of the Audit Committee, Member of the Nomination Committee</td>
<td>Mr. Obayashi’s experience and insights as an expert in international affairs and his abilities in the field of internal control and governance, regulatory affairs, and financial management are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2013, his experience and insights are essential to the Company to oversee the Company’s business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, regulatory affairs, and financial management.</td>
<td>100% (8/8)</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Hirono Tamaki</td>
<td>Member of the Compensation Committee, Member of the Nomination Committee</td>
<td>Mr. Tamaki’s experience and insights are an asset to Mitsubishi Electric to improve the quality of the Board of Directors. Serving as an executive officer at the Company since June 2015, he has enhanced the Company’s business operations, taking into consideration his roles in the Company’s Compensation Committee. The Company expects him to oversee the Company’s business operations, by using a wide range of experience and insights especially in the fields of corporate compensation and governance, financial management, and human resources management development.</td>
<td>100% (8/8)</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Hiroya Koike</td>
<td>Member of the Nomination Committee, Member of the Audit Committee</td>
<td>Mr. Koike’s experience and insights are an asset to Mitsubishi Electric to improve the quality of the Board of Directors. Serving as an executive officer at the Company since June 2012, he has enhanced the Company’s business operations, taking into consideration his roles in the Company’s Audit Committee. The Company expects him to oversee the Company’s business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, financial management, and human resources management development.</td>
<td>100% (8/8)</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Takanori Oyamada</td>
<td>Member of the Nomination Committee, Member of the Audit Committee</td>
<td>Mr. Oyamada’s experience and insights as a business specialist cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Serving as Managing Director of the Company since June 2012, he has enhanced the Company’s business operations, taking into consideration his roles in the Company’s Audit Committee. The Company expects him to oversee the Company’s business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, regulatory affairs, and financial management.</td>
<td>100% (8/8)</td>
</tr>
</tbody>
</table>

Note: Mitsubishi Electric Corporation held eight Board of Directors meetings during fiscal 2021.

**Status of Stocks Held**

### Status of Stocks Held

**1. Criteria and Approach on Classification of Stocks for Investment**

With regard to the classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment, the Company classifies these stock holdings for profit purposes from changes in the stock value or dividends on stock as pure investment. There are no stocks held solely for pure investment.

**2. Stocks for Investment Held for Purposes Other Than Pure Investment Purposes**

The Company holds stocks that are determined to be necessary for business operations, taking into consideration maintaining and strengthening relationships with business partners. The Company comprehensively judges whether or not stocks held are significant, from the viewpoint of their profitability, business feasibility, holding risks, and other aspects are verified and confirmed yearly in the Executive Officers’ meeting and in the Board of Directors’ meeting.

Furthermore, the Company performs verifications with regard to potentiality, as to whether the income gained from related businesses and total dividends received are reaching a level above the capital cost, with regard to business feasibility, whether there are no any significant changes in business relationships, investments and transactions, etc., and with regard to holding risks, whether the corporate value of the investee has fallen or not. When stocks are thus judged to have a low holding significance, the Company considers the reduction thereof such as by selling them, taking into consideration the situation of the company concerned.

### Compliance

**Our Concept of Compliance**

The Mitsubishi Electric Group recognizes Compliance means always upholding high ethical standards and complying with laws and social norms in order to gain the trust of our stakeholders, which include customers, consumers, business partners, shareholders, employees and society.

**Compliance Motto — “Always Act with Integrity”**

The Mitsubishi Electric Group established a compliance motto “Always Act with Integrity” for all Mitsubishi Electric Company’s officers and employees on June 1, 2021. “Integrity” means the strong will and attitude to persist in doing the right thing and having character traits such as “being fast,” “being honest,” “being sincere,” “taking responsibility for one’s behavior” and “respecting others.”

**Mitsubishi Electric Group compliance promotion structure**

<table>
<thead>
<tr>
<th>Group Companies in Japan</th>
<th>Mitsubishi Electric Corporation</th>
<th>Group Companies outside Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>President &amp; CEO</td>
<td>Corporate Governance Committee</td>
<td>President &amp; CEO</td>
</tr>
<tr>
<td>Executive Officers’ Meeting</td>
<td>Corporate Compliance Committee</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td></td>
<td>Corporate Governance Committee</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td></td>
<td>General Manager of Business Ethics</td>
<td>General Manager of Business Ethics</td>
</tr>
<tr>
<td></td>
<td>Corporate Compliance Officer</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td></td>
<td>Corporate Compliance Officer</td>
<td>Corporate Compliance Officer</td>
</tr>
</tbody>
</table>

**Risk Management Framework**

The Mitsubishi Electric Group maintains a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers’ meetings.

In the event an incident occurs that seriously calls into question the Group’s social responsibility and is expected to have a profound impact on management, or in the case of such emergencies as large-scale disasters, accidents or pandemics, a company-wide Corporate Crisis Management Office will be established to implement measures under the leadership of the president, to ensure prompt and proper initial response.

E Environment

Environmental Sustainability Vision 2050

The Mitsubishi Electric Group adopted its Environmental Vision 2021, which aims to create a low-carbon, recycling-based society that functions in harmony with nature, in 2020. The Group also has promoted its 11th Environmental Plan, created from a medium- and long-term perspective in light of the Paris Agreement since fiscal 2019. In this plan, future water shortage measures are considered as well. In June 2019, the Group announced its Environmental Sustainability Vision 2050 to show its new long-term environmental management vision.

Having developed its business through interaction with many stakeholders including customers, business partners and employees and being deeply rooted in society, the Mitsubishi Electric Group is expected to assume responsibility for contributing to the environment. With this recognition, the Environmental Sustainability Vision 2050 is intended to aim for the future together with stakeholders.

“Protect the air, land, and water with our hearts and technologies to sustain a better future for all” has been adopted as an environmental declaration in the Environmental Sustainability Vision 2050. The air, land, and water are vital for the survival of every creature on Earth. Bearing these three elements in mind, we will continue considering to which element we will contribute as well as the business area of the Mitsubishi Electric Group and put ideas into practice. In addition, we share our commitment to the environment and technologies not only with those who work for the Mitsubishi Electric Group but also with all other stakeholders and contribute to the realization of a sustainable future under these three action guidelines shown in the Environmental Sustainability Vision 2050, while striving to further improve our technological prowess.

Initiative to Realize a Decarbonized Society

The Mitsubishi Electric Group will further enhance our initiatives to reduce greenhouse gas emissions toward the realization of a decarbonized society, aiming for virtually zero greenhouse gas emissions* in 2050.

CO2 Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Net CO2 Emissions of Electric Power (ton)</th>
<th>Net CO2 Emissions of Products (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>135,000</td>
<td>114,000</td>
</tr>
<tr>
<td>2020</td>
<td>130,000</td>
<td>110,000</td>
</tr>
<tr>
<td>2021</td>
<td>125,000</td>
<td>106,000</td>
</tr>
<tr>
<td>2022</td>
<td>120,000</td>
<td>102,000</td>
</tr>
<tr>
<td>2023</td>
<td>115,000</td>
<td>98,000</td>
</tr>
</tbody>
</table>

1. Increased contribution to reducing CO2emission factor of electric power
2. Reduction of emissions by products
3. Reduced greenhouse gas emissions from products
4. Improvement of efficiency and spread of Power Semiconductor Devices, etc.
5. Reduced greenhouse gas emissions to a scale that nullifies the reduction in CO2 emissions

Three Environmental Action Guidelines

1. Apply diverse technologies to wide-ranging business areas to solve environmental issues
2. Challenges to develop business innovations for future generations
3. Publicize and share new values and lifestyles

Key Initiatives

- Climate Change Mitigation
- Resource Circulation
- Live in Harmony with Nature

Environmental Declaration

1. Actively support the Paris Agreement since fiscal 2019. In this plan, future water shortage measures are considered.
3. Aiming for virtually zero greenhouse gas emissions*1 in 2050.
**Sustainability at Mitsubishi Electric Group**

1. **Greenhouse Gas Reduction Targets Based on Scientific Grounds**

   It is recognized that the Mitsubishi Electric Group's greenhouse gas reduction targets for 2030 are based on scientific grounds to "Hold the increase in the global average temperature to well below 2°C above pre-industrial levels" as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets) initiative.

   We will continue to promote the reduction of greenhouse gases through a variety of business areas in the Mitsubishi Electric Group.

2. **Reduction Targets of the Mitsubishi Electric Group**

   - **Scope 1 and 2**
     - Mitsubishi Electric commits to reduce total Scope 1 and 2 GHG emissions by 18% by 2030, compared to the base year of 2016.
   - **Scope 3**
     - Mitsubishi Electric commits to reduce total scope 3 GHG emissions by 15% by 2030, compared to the base year of 2018.

3. **Financial Information based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**

   The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In line with these recommendations, the Group discloses relevant information on climate change.

   **Strategy for Climate Change**

   - **The Group formulates a three-year Environmental Plan as an integral goal based on the corporate strategy and environmental vision for initiatives toward environmental issues including climate change.**
   - **The plan sets out targets to be achieved, and the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management, formulates the plan and shares it with each group organization. Each organization implements its own Environmental Action Plan (annual plan) based on the Environmental Plan.**
   - **The results of business execution are reviewed by the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management.**
   - **Each group organization reviews the Environmental Plan (three-year plan) and its Environmental Action Plan (annual plan) as necessary.**

4. **Examples of climate-related risks and responses by the Mitsubishi Electric Group**

   **Risks**

   - **Transition risks**
     - Policy and legal risks (short to long-term)
       - Reduction of GHG* emissions through promotion of environmental plans and setting and taking initiatives on science based targets,
       - Promotion of environmentally conscious design global warming, resource conservation, recyclability, hazardous substances, packaging,
     - Capital investment related to environmental activities, including energy saving and global warming countermeasures,
     - Implementation of supply chain management (formulation and implementation of green procurement standards)
     - Reporting of Scope 1 and 2 emissions and implementation of third-party verification
     - Acquisition and maintenance of ISO 14001 certification
     - Confirmation of legal compliance through environmental audits
     - Disclosure of initiatives related to climate change and other environmental issues

   - **Technology risks**
     - Development of new technologies through R&D investment
     - Implementation of intellectual property activities
     - Capital investment related to environmental activities, including energy saving and global warming countermeasures

   - **Market risks**
     - Market research and feedback on product development
     - Capital investment related to environmental activities, including energy saving and global warming countermeasures

   - **Reputation risks**
     - Corporate Strategy
     - Implementation of natural environment conservation activities, including the protection of local biodiversity
     - Disclosure of initiatives related to climate change and other environmental issues

   - **Physical risks**
     - **Acute risks** (short to long-term)
       - Increased severity of extreme weather such as heavy rains and floods
     - **Chronic risks** (medium to long-term)
       - Changes in precipitation patterns and extreme variations in weather patterns

   *1. Greenhouse gas
   *2. Business continuity plan

5. **Overview of risk and opportunity assessment through scenario analysis**

   Through scenario analysis, we assess the corporate activities of the Group in terms of risks and opportunities.

   - **The assessment is made based on two scenarios: a scenario to keep the increase in the global average temperature to below 2°C above pre-industrial levels (2°C scenario) and a scenario in case the temperature rises nearly 4°C as a result of continuing the conventional global warming countermeasures (4°C scenario).**

   - **The period covered by the scenario analysis is up to 2050, and the periods are classified as shown below.**
### Human rights

**Mitsubishi Electric Human Rights Policy**

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any other reason.*" As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's "Purpose" and "Our Values," it has established this Human Rights Policy and shall raise awareness of human rights among its members and make sure to properly deal with related incidents in order to ensure that its business activities do not have a negative impact on human rights.

**Management System Related to Respecting Human Rights**

The Mitsubishi Electric Group established a Human Rights Policy in September 2017 and has been undertaking human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights, etc. In this initiative, we promote continuous improvement activities by implementing the Plan-Do-Check-Act (PDCA) cycle, in which the Human Rights working group composed of the people in charge in divisions concerned (Corporate-Human Resources Div., Corporate Legal Div., Corporate Purchasing Div., etc.) discusses policies and measures for dealing with human rights issues, and results of initiatives are confirmed and policies and plans are considered and approved in a meeting of the Sustainability Committee held every year.

**Human Rights Impact Assessment**

The Mitsubishi Electric Group periodically carries out “Human Rights Impact Assessments” in order to identify and assess the impact of the Group’s business activities on human rights.

In fiscal 2019, we conducted the first “Human Rights Impact Assessment” and discovered that such issues as “preventing harassment,” “controlling long work hours,” and “giving consideration toward women and people with disabilities” were high risks at a total of 536 sites, including Mitsubishi Electric, its offices, domestic family companies and overseas family companies. We then provided feedback of the results to relevant departments and requested them to promote improvement activities.

With the understanding that it is important to continuously strive to perceive current circumstances accurately and take on the issues, we will carry out the second “Human Rights Impact Assessment” in fiscal 2022. To carry out the assessment, we will also devise an assessment method to further define issues that the Mitsubishi Electric Group has.

**Grievance Handling Mechanism**

The Mitsubishi Electric Group has established multiple points of contact to respond to inquiries from various stakeholders, of which main points of contact are listed in the table below. We also receive consultation requests on human rights through them.

For each whistleblowing case on human rights risk, the responsible division quickly confirms facts according to the content of consultation. If a violation of human rights, etc. in business activities of the Mitsubishi Electric Group is confirmed, we appropriately respond to the instance by dealing with the victim and considering the punishment of those who engaged in the case in question, etc. as well as promptly making a correction and improvement. However, please understand that the Mitsubishi Electric Group may not deal with an instance for which facts cannot be confirmed as a result of confirmation and investigation or with a case which is determined as difficult to investigate due to being groundless, slander, and so on.

**Mitsubishi Electric’s main points of contact for whistleblowing/consultation**

<table>
<thead>
<tr>
<th>Service available</th>
<th>Name of point of contact for whistleblowing/consultation</th>
<th>Matters to be consulted</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various stakeholders (stakeholders, people in the community)</td>
<td>“Inquiries on sustainability” and “Other Inquiries” on the Mitsubishi Electric Group official website</td>
<td>-Inquiries regarding the Mitsubishi Electric Group's sustainability -Other various inquiries regarding the Mitsubishi Electric Group’s business activities</td>
<td>-Japanese Inquiries on sustainability Other inquiries: &quot;Global (English)” Inquiries on sustainability Other Inquiries</td>
</tr>
<tr>
<td>Mitsubishi Electric employees, family companies employees*, suppliers to Mitsubishi Electric*</td>
<td>Ethics observance hotline</td>
<td>Whistleblowing or consultation regarding improper or individual employer/employee fraud, legal violation, act of breach of ethics</td>
<td>Internal points of contact/external points of contact (deeper)*</td>
</tr>
<tr>
<td>Mitsubishi Electric employees</td>
<td>Points of contact for consultation on sexual harassment, power harassment, etc.</td>
<td>Whistleblowing consultation on various types of harassment in Mitsubishi Electric’s workplace</td>
<td>Human Resources Div. at each office of Mitsubishi Electric</td>
</tr>
</tbody>
</table>

*1: Limited to whistleblowing that is relevant to Mitsubishi Electric personal and business aspects.

*2: The points of contact are listed in Mitsubishi Electric's intranet, internal posters, "Code of Corporate Ethics and Compliance," etc.

*3: A whistleblowing system has been established at each domestic and overseas family companies of the Mitsubishi Electric Group.

### Climate change indicators and goals

The Mitsubishi Electric Group’s Environmental Plan

The Mitsubishi Electric Group has formulated an Environmental Plan every three years since 1993, setting specific action targets. The current 9th Environmental Plan (fiscal year 2018 to 2020 [1st April 2018 through 31st March 2021]) sets forth indexes and targets for reduction of CO2, reduction of CO2 emissions from production, effective use of resources, effective use of water, continuation of the "Mitsubishi Electric Outdoor Classroom" and "Satoyama Woodland Preservation Project," and biodiversity conservation at business sites, in line with the goals of "Creating a Low-Carbon Society," "Creating a Recycling-Based Society" and "Ensuring Harmony with Nature" that are specified in Environmental Vision 2021.

As a result of this assessment of climate-related risks and opportunities and our initiatives toward them, the Mitsubishi Electric Group can be said to have resilience against such risks under both the 2℃ and the 4℃ scenarios and the opportunity for sustainable growth through the solving of social issues arising from climate change*.

*1: This conclusion is based on the scenario, and the future outlook may differ.
Basic Policy on Diversity Promotion
As the business environment around Mitsubishi Electric Group is rapidly chang-

ing, providing a workplace where employees can work to their full potential
regardless of gender or age is essential to business development. Furthermore, it
has become more vital than ever before to employ an even greater diversity of
people, given the increasingly aging and diminishing population in Japan. Based
on this awareness, Mitsubishi Electric promotes employee diversity through the
following measures.

Diversity Promotion Framework
To enrich the personal lives and build the careers of women employees and
employees who are raising children, Mitsubishi Electric established the CP-Plan”
Promotion Center within its Corporate Human Resources Division in April 2006. In
April 2021, the Center’s name was changed to the Diversity Promotion Office. Various
initiatives are being strengthened to create workplaces where employees respect
diversity, which includes age, nationality, disability, LGBT, workplaces, and
gender as well as work-vibrantly, thereby maximizing their potential at work.

Women’s Participation
In 2016, with the aim of realizing a society in which women can fully embody
their individuality and abilities, the Act on Advancement of Women’s Activities,
which stipulates the responsibilities of the national government, local govern-
ments, and general employers in promoting female participation, was enacted.
Mitsubishi Electric formulated an action plan based on this law and set the fol-

lowing targets. To achieve these targets under the current action plan, measures
such as systematic training of young employees and proactive dissemination of
information regarding various support systems for balancing work and family life
have been created.

Mitsubishi Electric’s Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (Target: FY2026)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of women in management</td>
<td>2 times (Compared to FY2021)</td>
</tr>
<tr>
<td>Percentage of newly hired women</td>
<td>1.2 times (Compared to the average from FY2017 to FY2021)</td>
</tr>
<tr>
<td>Percentage of men on childcare leave*</td>
<td>70%</td>
</tr>
</tbody>
</table>

*Includes those who obtained special leave for childcare purposes.

Create a Work Environment Where All the Employees Can Work Actively

The Mitsubishi Electric Group is taking the following measures under the
Mitsubishi Electric Workplace Reform Program, aiming at creating a workplace
where employees can openly communicate with one another, thorough and
appropriate care of employees with mental health issues, and other goals. The
measures to be implemented and applied in FY2021 have been completed, and
this program will continue to be strongly promoted in FY2022 and beyond as a


progress of Mitsubishi Electric Workplace Reform Program

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
<th>Performance for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Enhance education on harassment such as power harassment, and strengthen self-evaluation when assigning leaders including managers</td>
<td>100% participation rate (including affiliated companies); Education will continue to be conducted in FY2022.</td>
<td></td>
</tr>
<tr>
<td>2) Red light on harassment when training managers and staff in charge of education when assigning new employees and thoroughly implement more appropriate development and guidance.</td>
<td>Implemented in workplaces to which new employees were assigned in FY2021. Education will continue to be conducted in FY2022.</td>
<td></td>
</tr>
<tr>
<td>3) Sufficiently evaluate candidates to see if they have basic class of labor management (such as understanding which actions constitute harassment actions) before assigning a manager or leader.</td>
<td>Implemented (January 2020)</td>
<td></td>
</tr>
<tr>
<td>4) Promote all employees that perception of power harassment will be subject to severe measures.</td>
<td>Revised the Work Regulations, March 2020.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
<th>Performance for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Conduct attitude surveys on the workplace targeting all employees and an organization diagnosis in light of the survey every year.</td>
<td>Survey completed in June 2021. Improvement measures based on the survey results are in progress. Research will be conducted again in June 2021.</td>
<td></td>
</tr>
<tr>
<td>2) Endorse to solve the challenges recognized during the survey, taking opinions of outside experts into consideration, and continue to improve the workplace through the PDCA cycle.</td>
<td>Endorsing for all employees since July 2020.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
<th>Performance for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Conduct a questionnaire survey to check the workplace, workplace human relationships, stress levels, and other problems of individuals every month to identify and address changes in feeling at an early stage.</td>
<td>The number of follow-up interviews has been increased since FY2020.</td>
<td></td>
</tr>
<tr>
<td>2) Increase periodic interviews with the human resources division after assigning new employees to the workplace.</td>
<td>In operation since July 2020.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
<th>Performance for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Start a new counseling service by an outside counselor in cases where an employee wants to consult an outside specialist face to face.</td>
<td>Introduced. February 2020 (used 163 times as of March 2021).</td>
<td></td>
</tr>
<tr>
<td>2) Start a mentor system for troubled employees at the workplace with whom they do not have a supervisor subordinate relationship in order to create an environment where they can easily talk about their problems.</td>
<td>Introduced, April 2020</td>
<td></td>
</tr>
<tr>
<td>3) Assign multiple training supervisors to receive consultations from new employees, so that each employee can select someone with whom he or she is comfortable with consulting.</td>
<td>Introduced, January 2020</td>
<td></td>
</tr>
<tr>
<td>4) Further enhance training courses that contribute to the improvement of the employees’ stress management capability such as resilience education*1.</td>
<td>Provided to new employees in FY2022. Education will continue to be conducted in FY2022.</td>
<td></td>
</tr>
</tbody>
</table>


*2 Training program to enhance people’s capabilities to successfully address stress and adverse circumstances and recover.

Based on the results of a third-party evaluation of recurrence prevention measures implemented in FY2021 and Assessment Committee discussions, we have summa-

rized the short-term priority measures to address the issues to be resolved in FY2022, starting with the recurrence prevention measures that have been implemented to date, and long-term measures for realizing a work environment in which all employees can work actively and engage more easily. Following the newly established roadmap, we will steadily implement each measure in order to further improve the workplace environment over both the short and long terms.

In addition, key performance indicators (KPIs) for job satisfaction and work-life balance will be set and monitored regularly to ensure they are reflected in our activities. These activities will be continuously improved and reviewed through the PDCA cycle in order to realize a workplace environment in which employees can thrive.

With regard to preventing problems, we will clearly communicate the company’s ‘share of workplace’ based on the Joint Statements of Labor and Management adopted in November 2020. To encourage specific behavioral changes, we have also introduced 360-degree feedback to provide managers with an opportunity to evaluate their own behavior and the behavior of others daily. In FY2021, 360-degree feedback was conducted for all executive members and some offices, this will be expanded to all offices starting in FY2022.
**Sustainability at Mitsubishi Electric Group**

**Roadmap for measures to improve workplace culture**

- **Short-term priority measures and long-term measures**

<table>
<thead>
<tr>
<th>Category</th>
<th>Item</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention of problems</td>
<td>Further clarification of the Company's stance on harassment prevention (Adoption of Five Joint Statements of Labor and Management [November 2018], submitted by all Directors, Executive Officers, and employees of a declaration to refrain from harassment [December 2020], and revision of Work Regulations that clearly indicate service provisions [December 2020]) Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree feedback for managers) [April 2021]</td>
<td></td>
</tr>
<tr>
<td>Detection of problems</td>
<td>Enhanced analysis of employee attitude surveys and stress checks [December 2020] Improvement of the utilization of the results in the workplace (Formulation and enhancement of guidelines for utilization) [April 2021]</td>
<td></td>
</tr>
<tr>
<td>Action against problems</td>
<td>Enhanced support for the return to work by employees with mental health issues Creating guidelines to encourage employees back to work [March 2021] Establishment of a process and system for dealing with work-related issues when they occur (Development of guidelines for measures to address work-related issues and information disclosure to employees, such as information on cases of power harassment [December 2020])</td>
<td></td>
</tr>
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<td></td>
</tr>
<tr>
<td>Long-term measures</td>
<td>Further clarification of the Company's stance on harassment prevention (Adoption of Five Joint Statements of Labor and Management [November 2018], submitted by all Directors, Executive Officers, and employees of a declaration to refrain from harassment [December 2020], and revision of Work Regulations that clearly indicate service provisions [December 2020]) Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree feedback for managers) [April 2021]</td>
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<td></td>
</tr>
</tbody>
</table>

**Outcome of previous activities**

We started the Work Style Reforms in fiscal 2017 and have promoted a variety of measures that contribute to reductions in working hours, proper working hours management, and work quality improvement.

As a result, we reduced monthly overtime hours per employee by 14% from fiscal 2018, and the number of employees whose working hours exceeded 80 hours and were thus subject to health management was reduced by 99%. According to the employee attitude survey in fiscal 2021, the percentage of employees who responded that they had a good work-life balance had remained stable in the range of 60 to 70%. Mitsubishi Electric will continue to reduce working hours and to strive to realize better work-life balance.

**Changes in monthly overtime hours per employee (including managers)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average hours of overtime per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,500 hours</td>
</tr>
<tr>
<td>2019</td>
<td>1,200 hours</td>
</tr>
<tr>
<td>2020</td>
<td>900 hours</td>
</tr>
<tr>
<td>2021</td>
<td>600 hours</td>
</tr>
</tbody>
</table>

*Starting in FY2021, the rating scale was changed to a five-point scale to better access the current data. Employees who responded that they had a good work-life balance and were rated their work-life balance as four or five on the five-point scale (including those who did not respond to the work-life balance question).

**Initiatives to Prevent Recurrence of Work-Related Issues**

The Mitsubishi Electric Group has experienced work-related issues that affected employees’ lives or mental and physical health. Although the Group implemented prevention measures on each occasion, another work-related issue occurred in fiscal 2020. We took this seriously, deeply regretted that our past initiatives had not been sufficient, and are implementing preventive measures, including new initiatives.

After implementing all measures in the program, their impacts were verified through third-party assessments by experts. A Verification Committee comprised of representatives from the company, labor union, and external experts was consulted regarding the assessment results. Based on the recommendations, short-term priority measures (e.g., the adoption of the Five Joint Statements on Labor and Management and the introduction of 360-degree feedback) and long-term measures were implemented. To verify the effectiveness of these measures, assessment indicators and indicator monitoring will be implemented.

The Group continues to consider the prevention of recurrence of work-related issues as its top management priority, and as a whole, makes every effort to create a work environment where all the employees can maintain mental and physical health and work activity with a sense of security.
Sustainability at Mitsubishi Electric Group

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria
The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group’s Purchasing Policy and CSR Purchasing Policy (Sustainability Procurement Policy) and, regarding business partners’ understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the Group, procurement risks are also mitigated along with the supply chain.

The Group’s criteria for evaluating business partners include not only quality, cost, delivery schedules and services, but also initiatives in response to environmental regulations and sustainability initiatives. As a basic policy, the Group prefers suppliers materials from suppliers who rank high in a comprehensive evaluation.

Framework for Promotion of Procurement Supply Chain Management
Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP) strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aims to achieve the lowest cost, delivery schedules and services, but also initiatives in response to environmental problems in the procurement supply chain and thereby strengthen our business continuity plan (BSP).

In addition to this initiative, we will also promote activities to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems in the procurement supply chain. While this plan is being pursued, the Group has established an important procurement supply chain management which is described below.

Quality

Basic Policy
The Mitsubishi Electric Group conducts business under the Purpose, “We, the Mitsubishi Electric Group, with our business activities, will contribute to the realization of a sustainable and harmonious society. To this end, we commit to technological innovation and corporate social responsibility.” This Purpose indicates the principles outlined in the Keys to Management (In Japanese, Keiei no Yotei) set out when Mitsubishi Electric was established with regard to “our contribution to social prosperity, quality improvement, and customer satisfaction” and forms the basic spirit of our relationship with society and our customers.

To provide concrete shape to this basic spirit, employees perform their work according to “Our Values,” which teach us to develop relationships based on strong mutual trust, ensure the satisfaction of society and customers by providing products and services of the best quality, and provide society with new value by enhancing our technology and onsite capabilities.

Based on these values, we constantly strive to increase customer satisfaction and contribute to social prosperity in all aspects of our business, from the production of high-quality, easy-to-use products to our after-purchase support, response to major issues, and product disposal.

Product Safety-related Principles
Based on the “Purpose” and “Our Values,” the Mitsubishi Electric Group provides initiatives to ensure product safety under the following principles:

1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information about product-related problems, disclose them appropriately to our customers, and report them quickly to the government and other bodies as required under the law.
4. If any serious accidents occur resulting from product-related problems, we will take appropriate measures to avoid further damage.
5. We will investigate the cause of product-related accidents and work to prevent any recurrence.
6. We will make continuous efforts to improve our product safety promotion system.

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where products are scrapped).

At the same time, our Service Call Center and Customer Relations Center in Japan operates 24 hours a day, 365 days a year to gather information on product-related issues and help prompt responses. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Promotion of Quality Assurance and Improvement Activities (Mitsubishi Electric)

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement initiatives in relation to quality assurance measures for business processes, from market surveys through to development and design, manufacturing, distribution, maintenance and servicing after shipping and product disposal.

In addition, in our Quality Management System (QMS), we regularly check our PDCA cycle with reference to ISO and other international certification standards, seeking to realize ever higher quality by process improvement.

Response to Inappropriate Conduct Related to Quality

1. Informed of Mitsubishi Electric’s car audio for the European Union market
Mitsubishi Electric found that a part of its car audio products manufactured at the company’s Sanda Works and a Mitsubishi Electric subsidiary were shipped to the EU market with specifications that did not comply with the European Radio Equipment Directive (RED). The products in question are only sold to certain car manufacturers, not consumers, and Mitsubishi Electric has already reported the situation to the car manufacturers who purchased the affected products. Although the receivers may cause noise when receiving AM radio in Europe, Mitsubishi Electric has confirmed that there is no safety problem and the receivers will not cause any peripheral equipment to malfunction. Mitsubishi Electric took this matter of shipping non-comforming products seriously and investigated the cause and announced recurrence prevention measures. At Sanda Works, where the products are designed, the Quality Assurance Department now manages declarations of compliance and compliance assessment tests, and multiple departments now participate in joint reviews whenever relevant laws or regulations are enacted or revised.

2. Recurrence prevention measures for inappropriate conduct, etc. in quality control
In addition to item 1 above, in order to realize a culture that gives top priority to quality and that does not cause or allow inappropriate conduct, we continue to provide ethics education for engineers to all employees and managers as well as to provide quality lectures at Quality Assurance Managers’ Committee meetings, as recurrence prevention measures for the inappropriate conduct in quality control that has been identified. We have also strengthened the quality control system at each site, and on-site inspections of quality data are conducted during internal audits to ensure effective checks and balances.
Philanthropic Activities

Philosophy and Policies
The Mitsubishi Electric Group shares a common Philosophy and Policies based on its Purpose and Our Values, and carries out a variety of activities accordingly.

Philosophy
As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of the resources it has at hand to contribute to creating an affluent society in partnership with its employees.

Policies
• We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
• We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

Community Contributions and Human Resource Development Activities
The Mitsubishi Electric Group contributes to social welfare and global environmental conservation through a variety of activities. The Group has been promoting employee-involved volunteer activities to support education and environmental protection.

Foundations
The Mitsubishi Electric Science Workshop invites children to experience the fun of science with the aim of nurturing future engineers. In the Mitsubishi Electric Outdoor Workshop, employees lead children in discovering more about ecology and the relationships between different kinds of life through hands-on experiences in nature along with local residents. In addition to these key activities undertaken by Mitsubishi Electric, employees at Group affiliates in Japan and overseas are strongly committed to philanthropic activities, participating in various volunteer activities and supporting local social welfare organizations and sports teams.

The Mitsubishi Electric Science Workshop invites children to experience the fun of science with the aim of nurturing future engineers. In the Mitsubishi Electric Outdoor Workshop, employees lead children in discovering more about ecology and the relationships between different kinds of life through hands-on experiences in nature along with local residents. In addition to these key activities undertaken by Mitsubishi Electric, employees at Group affiliates in Japan and overseas are strongly committed to philanthropic activities, participating in various volunteer activities and supporting local social welfare organizations and sports teams.

The Mitsubishi Electric America Foundation and Mitsubishi Electric Thai Foundation, both founded in 1991, also carry out various activities in the spirit of the Mitsubishi Electric Group’s Philosophy and Policies. The Mitsubishi Electric American Foundation, with the cooperation of its branches in the United States, helps young people with disabilities to become employed and participate more fully in society. The Mitsubishi Electric Thai Foundation, in addition to providing scholarships to university students and supporting a school lunch program for grade school students, has been promoting employee-involved volunteer activities that support education and environmental protection.
## Major Subsidiaries and Affiliates (As of March 31, 2021)

### Manufacturing
- Mitsubishi Electric Power Supply Equipment Co., Ltd.
- Mitsubishi Electric Control Panel Corporation
- Toda Electric Co., Ltd.
- Mitsubishi Electric Power Products Inc.
- Mitsubishi Electric Shanghai Electric Device Co., Ltd.
- Mitsubishi Elevator Asia Pte. Ltd.
- Tenzen Mitsubishi Electric Co., Ltd.
- Toshiba Mitsubishi Electric Industrial Systems Corporation
- Shanghai Mitsubishi Elevator Co., Ltd.

### Sanitation/Healing Services
- Mitsubishi Electric Building Designers Co., Ltd.
- Mitsubishi Electric Plant Engineering Corporation
- Mitsubishi Electric Central Software Services
- Ryoden Elevator Construction Co., Ltd.
- Ryoji Co., Ltd.
- FYH Air Conditioning Co., Ltd.
- Mitsubishi Elevator Hong Kong Co., Ltd.
- Mitsubishi Elevator Philippines Co., Ltd.
- Hitachi Mitsubishi Kobe Corporation
- AS HILDES Elevator Co. Ltd.

### Comprehensive Sales Companies
- Mitsubishi Electric Automotive America, Inc.
- Mitsubishi Electric Sales Co., Ltd.
- Mitsubishi Electric Automotive (Mexico), S.A. de C.V.
- Mitsubishi Electric Automotive Co., Ltd.
- Mitsubishi Electric Automotive Manufacturing (Changshu) Co., Ltd.
- Mitsubishi Electric Calcis Industrial Products Co., Ltd.
- Shintai Electric Co., Inc.
- Shintai Electric & Engineering Corporation

### Others
- Mitsubishi Electric Lighting Corporation
- Mitsubishi Electric Home Appliance Co., Ltd.
- Mitsubishi Electric Consumer Products (Panasonic) Co., Ltd.
- Shanghai Mitsubishi Electric & Trading Co., Ltd.
- Mitsubishi Electric Air Conditioning & Refrigeration Equipment Sales Co., Ltd.
- Mitsubishi Electric Air Conditioning & Refrigeration Systems Co., Ltd.
- Mitsubishi Electric Facilities Co., Ltd.
- Mitsubishi Electric Xiang Yang Machine Co., Ltd.
- Mitsubishi Electric Air Conditioning & Visual Information Systems (Shanghai) Ltd.

### Notes:
1. Comprehensive sales companies include several companies that are responsible for selling products from a number of businesses, and therefore these are placed into their own separate category rather than grouped by business segment.
2. Consolidated subsidiaries are shaded in blue, while equity method companies are shaded in orange.
3. As of the end of March 2021, the numbers of consolidated subsidiaries and equity method companies are 225 and 58, respectively.

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## Financial Section

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- **59** Consolidated Statement of Financial Position
- **61** Consolidated Statement of Profit or Loss
- **62** Consolidated Statement of Comprehensive Income
- **63** Consolidated Statement of Changes in Equity
- **64** Consolidated Statement of Cash Flows
### Five-Year Summary

**Mitsubishi Electric Corporation and Subsidiaries**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>¥4,238,866</td>
<td>¥4,391,198</td>
<td>¥4,344,424</td>
<td>¥4,519,921</td>
<td>¥4,425,509</td>
<td>¥4,191,433</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>270,104</td>
<td>318,637</td>
<td>327,444</td>
<td>290,477</td>
<td>259,661</td>
<td>230,195</td>
<td></td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>296,249</td>
<td>364,578</td>
<td>353,206</td>
<td>315,958</td>
<td>281,986</td>
<td>258,754</td>
<td></td>
</tr>
<tr>
<td>Net profit attributable to Mitsubishi Electric Corp. stockholders</td>
<td>210,493</td>
<td>271,880</td>
<td>255,705</td>
<td>226,648</td>
<td>221,834</td>
<td>193,132</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>4,172,270</td>
<td>4,264,559</td>
<td>4,305,580</td>
<td>4,356,211</td>
<td>4,409,771</td>
<td>4,797,921</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>662,469</td>
<td>599,199</td>
<td>599,199</td>
<td>514,224</td>
<td>537,559</td>
<td>767,406</td>
<td></td>
</tr>
<tr>
<td>Bonds and borrowings</td>
<td>352,124</td>
<td>311,485</td>
<td>311,990</td>
<td>298,438</td>
<td>267,008</td>
<td>248,897</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders' equity</td>
<td>2,039,627</td>
<td>2,259,355</td>
<td>2,319,292</td>
<td>2,399,949</td>
<td>2,429,743</td>
<td>2,754,293</td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>365,950</td>
<td>240,450</td>
<td>265,768</td>
<td>239,817</td>
<td>242,943</td>
<td>2,754,293</td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(148,832)</td>
<td>(179,219)</td>
<td>(152,015)</td>
<td>(210,688)</td>
<td>(203,997)</td>
<td>(176,552)</td>
<td></td>
</tr>
<tr>
<td>Free cash flows</td>
<td>217,318</td>
<td>62,231</td>
<td>83,753</td>
<td>29,149</td>
<td>191,837</td>
<td>542,119</td>
<td></td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(123,495)</td>
<td>(129,291)</td>
<td>(149,413)</td>
<td>(112,657)</td>
<td>(156,454)</td>
<td>(157,352)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>57,963</td>
<td>68,696</td>
<td>68,696</td>
<td>85,871</td>
<td>85,871</td>
<td>77,283</td>
<td></td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>201,330</td>
<td>210,308</td>
<td>210,308</td>
<td>212,794</td>
<td>206,846</td>
<td>190,574</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures (Based on the recognized value of property, plant and equipment)</td>
<td>175,542</td>
<td>181,513</td>
<td>181,513</td>
<td>198,442</td>
<td>227,450</td>
<td>248,897</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>141,854</td>
<td>154,599</td>
<td>153,161</td>
<td>152,315</td>
<td>156,454</td>
<td>157,352</td>
<td></td>
</tr>
<tr>
<td><strong>Per Share Amounts:</strong> Earnings per share attributable to Mitsubishi Electric Corp. stockholders (Yen) Basic</td>
<td>¥98.07</td>
<td>¥126.70</td>
<td>¥119.19</td>
<td>¥105.65</td>
<td>¥103.41</td>
<td>¥90.03</td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>¥98.07</td>
<td>¥126.70</td>
<td>¥119.19</td>
<td>¥105.65</td>
<td>¥103.41</td>
<td>¥90.03</td>
<td></td>
</tr>
<tr>
<td>Cash dividends declared (Yen)</td>
<td>¥37</td>
<td>¥40</td>
<td>¥40</td>
<td>¥40</td>
<td>¥40</td>
<td>¥36</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders' equity</td>
<td>¥55,37</td>
<td>¥1,052,26</td>
<td>¥1,089,19</td>
<td>¥1,118,83</td>
<td>¥1,132,69</td>
<td>¥1,203,88</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Ratios:</strong> Operating profit ratio (%)</td>
<td>6.4</td>
<td>7.2</td>
<td>7.4</td>
<td>6.4</td>
<td>5.8</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Return on revenue (%)</td>
<td>5.0</td>
<td>6.1</td>
<td>5.8</td>
<td>5.0</td>
<td>5.0</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>10.9</td>
<td>12.6</td>
<td>11.7</td>
<td>9.7</td>
<td>9.2</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Return on assets (ROA) (%)</td>
<td>5.1</td>
<td>6.4</td>
<td>6.0</td>
<td>5.2</td>
<td>5.1</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders' equity ratio (%)</td>
<td>48.9</td>
<td>53.0</td>
<td>53.3</td>
<td>55.1</td>
<td>55.1</td>
<td>57.4</td>
<td></td>
</tr>
<tr>
<td>Bonds and borrowings to total assets (%)</td>
<td>8.4</td>
<td>7.3</td>
<td>7.2</td>
<td>6.9</td>
<td>6.1</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Employees (persons)</td>
<td>138,700</td>
<td>142,340</td>
<td>142,340</td>
<td>145,817</td>
<td>146,516</td>
<td>145,653</td>
<td></td>
</tr>
<tr>
<td>Total Shareholder Return (%)</td>
<td>137.7</td>
<td>149.9</td>
<td>149.9</td>
<td>129.7</td>
<td>126.6</td>
<td>158.5</td>
<td></td>
</tr>
<tr>
<td>Comparison Index</td>
<td>112.8</td>
<td>128.0</td>
<td>128.0</td>
<td>126.5</td>
<td>112.9</td>
<td>174.1</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

1. The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) from the year ended March 31, 2019 and also for the fiscal year ended March 31, 2018 as comparative information.
2. The balance of bonds and borrowings and the ratio of bonds and borrowings to total assets include lease liabilities until the fiscal year ended March 31, 2019.
3. R&D expenditures include elements spent on quality improvements which constitute manufacturing costs.
4. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to basic earnings per share attributable to Mitsubishi Electric Corp. stockholders under IFRS, as no dilutive securities existed.
5. Total shareholder return is calculated based on the stock price as of March 31, 2016.

### Management Analysis of Financial Position, Operating Results and Cash Flows

#### Overview of Business Performance

The economy in the fiscal year ended March 31, 2021 continued to see recovery in China mainly owing to an increase in capital expenditures for fixed assets, particularly in public investment, as an effect of political measures. Japan, the U.S. and Europe experienced a significant economic slowdown due to the serious impact of the novel coronavirus diseases (COVID-19) in the three months ended June 30, 2021, but saw recovery in the corporate sector in general, while the pace of recovery in the household sector varied depending on the situation of the expansion of COVID-19.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies rooted in its advantages, while continuously implementing initiatives to strengthen its competitiveness and business structure.

As a result, the business performance for the fiscal year ended March 31, 2021 is as follows.

#### Revenue

Revenue increased for the second half of fiscal 2021 but decreased in the annual results by 271.0 billion yen from the previous fiscal year to 4,191.4 billion yen as revenue decreased in all segments due to the serious impact of COVID-19 primarily in the first half. Industrial Automation Systems segment saw a decrease in the automotive equipment business due to decreased demand for new cars in all regions except for China. The factory automation systems business remained substantially unchanged from the previous fiscal year due to an increase in demand relating to 5G and semiconductor despite stagnation in automotive-related demand worldwide and machinery- and building-related demand in Japan. Home Appliances segment saw a decrease in a part of air conditioners due to limited economic activities outside Japan and restrained capital expenditures worldwide. Meanwhile, there was some demand for residential air conditioners during stay-at-home period.

#### Impact of Exchange Rate Fluctuations on Revenue

<table>
<thead>
<tr>
<th>Currency</th>
<th>2020/2021 Average exchange rate</th>
<th>2020/2021 Impact of exchange rate fluctuations on revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>¥109</td>
<td>¥106</td>
</tr>
<tr>
<td>EUR</td>
<td>¥121</td>
<td>¥124</td>
</tr>
<tr>
<td>CNY</td>
<td>¥15.6</td>
<td>¥15.7</td>
</tr>
</tbody>
</table>
Operating Profit
Operating profit increased for the second half but decreased in the annual results by 29.4 billion yen from the previous fiscal year to 230.1 billion yen as operating profit decreased in all segments except for Energy and Electric Systems segment. Operating profit ratio decreased by 0.3% from the previous fiscal year to 5.5% due primarily to decreased revenue.
The cost ratio increased by 0.3% from the previous fiscal year due primarily to lower operation caused by decreased revenue of Industrial Automation Systems segment despite an improvement in Energy and Electric Systems segment due to a shift in project portfolios. Selling, general and administrative expenses decreased by 63.4 billion yen from the previous fiscal year due mainly to reduced cost, while selling, general and administrative expenses to revenue ratio remained substantially unchanged from the previous fiscal year. Other profit (loss) decreased by 4.9 billion yen from the previous fiscal year due primarily to increased loss on impairment of fixed assets, while other profit (loss) to revenue ratio remained substantially unchanged from the previous fiscal year.

Profit Before Income Taxes
Profit before income taxes decreased by 23.2 billion yen from the previous fiscal year to 258.7 billion yen due mainly to a decrease in operating profit despite an improvement in non-operating expenses owing to improved gain/loss on foreign exchange. Profit before income taxes to revenue ratio was 6.2%.

Net Profit Attributable to Mitsubishi Electric Corp. Stockholders
Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 28.7 billion yen from the previous fiscal year to 193.1 billion yen due primarily to decreased profit before income taxes and the impact of reduced income taxes as a result of the reorganization of its affiliated company outside Japan in the previous fiscal year. Net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 4.6%. ROE decreased by 1.7% from the previous fiscal year to 7.5%.

Results by Business Segment

### Revenue by Business Segment

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
</tr>
<tr>
<td><strong>Energy and Electric Systems</strong></td>
<td>¥ 1,277,906</td>
<td>¥ 1,241,952</td>
<td>¥ 1,293,062</td>
<td>¥ 1,296,745</td>
<td>¥ 1,307,389</td>
</tr>
<tr>
<td><strong>Industrial Automation Systems</strong></td>
<td>1,310,136</td>
<td>1,444,928</td>
<td>1,444,928</td>
<td>1,467,633</td>
<td>1,349,429</td>
</tr>
<tr>
<td><strong>Information and Communication Systems</strong></td>
<td>447,754</td>
<td>436,068</td>
<td>438,184</td>
<td>426,269</td>
<td>455,596</td>
</tr>
<tr>
<td><strong>Electronic Devices</strong></td>
<td>186,554</td>
<td>202,294</td>
<td>202,294</td>
<td>199,908</td>
<td>208,750</td>
</tr>
<tr>
<td><strong>Home Appliances</strong></td>
<td>1,004,145</td>
<td>1,049,369</td>
<td>1,049,369</td>
<td>1,074,044</td>
<td>1,090,248</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>713,603</td>
<td>764,346</td>
<td>659,059</td>
<td>676,736</td>
<td>659,636</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>4,890,368</td>
<td>5,138,957</td>
<td>5,046,896</td>
<td>5,141,335</td>
<td>5,071,048</td>
</tr>
<tr>
<td><strong>Eliminations</strong></td>
<td>(651,702)</td>
<td>(767,759)</td>
<td>(602,472)</td>
<td>(621,414)</td>
<td>(608,539)</td>
</tr>
<tr>
<td><strong>Concentrated total</strong></td>
<td>¥ 4,238,666</td>
<td>¥ 4,431,198</td>
<td>¥ 4,444,424</td>
<td>¥ 4,519,921</td>
<td>¥ 4,462,509</td>
</tr>
</tbody>
</table>

### Operating Profit by Business Segment

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
<td><strong>U.S. GAAP</strong></td>
<td><strong>IFRS</strong></td>
</tr>
<tr>
<td><strong>Energy and Electric Systems</strong></td>
<td>¥ 44,319</td>
<td>¥ 51,710</td>
<td>¥ 65,457</td>
<td>¥ 82,501</td>
<td>¥ 82,309</td>
</tr>
<tr>
<td><strong>Industrial Automation Systems</strong></td>
<td>140,073</td>
<td>190,826</td>
<td>187,350</td>
<td>142,563</td>
<td>68,962</td>
</tr>
<tr>
<td><strong>Information and Communication Systems</strong></td>
<td>12,700</td>
<td>11,987</td>
<td>11,340</td>
<td>12,247</td>
<td>26,457</td>
</tr>
<tr>
<td><strong>Electronic Devices</strong></td>
<td>8,382</td>
<td>14,554</td>
<td>14,164</td>
<td>1,442</td>
<td>8,701</td>
</tr>
<tr>
<td><strong>Home Appliances</strong></td>
<td>69,696</td>
<td>76,057</td>
<td>75,496</td>
<td>59,451</td>
<td>78,206</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>21,314</td>
<td>23,090</td>
<td>24,034</td>
<td>24,172</td>
<td>26,650</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>298,384</td>
<td>349,034</td>
<td>357,841</td>
<td>322,376</td>
<td>290,685</td>
</tr>
<tr>
<td><strong>Eliminations</strong></td>
<td>(28,280)</td>
<td>(30,397)</td>
<td>(30,397)</td>
<td>(31,899)</td>
<td>(31,024)</td>
</tr>
<tr>
<td><strong>Concentrated total</strong></td>
<td>¥ 270,104</td>
<td>¥ 318,637</td>
<td>¥ 327,444</td>
<td>¥ 290,477</td>
<td>¥ 259,661</td>
</tr>
</tbody>
</table>

### Energy and Electric Systems

The market of the social infrastructure systems business saw a decrease in demand relating to power generation worldwide and the reconsideration of the capital expenditure plans by railway companies in Japan due to the impact of COVID-19, while investment in public utilities for preventing and reducing disaster risks and demand relating to the electricity systems reform remained buoyant in Japan. In this environment, the business saw a decrease in orders from the previous fiscal year due primarily to decreases in the transportation systems and the power systems businesses in Japan, while revenue increased from the previous fiscal year due mainly to progress in orders already received for projects in the power systems business and an increase in the public utility systems business in Japan.

As a result, revenue for this segment decreased by 3% from the previous fiscal year to 1,270.2 billion yen. Operating profit increased by 26.6 billion yen from the previous fiscal year to 108.9 billion yen due mainly to a shift in project portfolios and cost improvement.
Management Analysis of Financial Position, Operating Results and Cash Flows

Results by Geographic Segment

Revenue from Customers by Geographic Segment

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. GAAP</td>
<td>IFRS</td>
<td>U.S. GAAP</td>
<td>IFRS</td>
<td>U.S. GAAP</td>
</tr>
<tr>
<td>Japan</td>
<td>¥ 2,405,552</td>
<td>¥ 2,438,942</td>
<td>¥ 2,556,644</td>
<td>¥ 2,610,322</td>
<td>¥ 2,430,839</td>
</tr>
<tr>
<td>North America</td>
<td>422,359</td>
<td>419,121</td>
<td>429,451</td>
<td>432,096</td>
<td>379,253</td>
</tr>
<tr>
<td>Asia (excluding Japan)</td>
<td>940,150</td>
<td>1,089,176</td>
<td>1,013,883</td>
<td>919,973</td>
<td>926,540</td>
</tr>
<tr>
<td>Europe</td>
<td>384,075</td>
<td>431,316</td>
<td>453,748</td>
<td>437,214</td>
<td>391,618</td>
</tr>
<tr>
<td>Others</td>
<td>86,630</td>
<td>69,869</td>
<td>66,195</td>
<td>62,904</td>
<td>63,183</td>
</tr>
<tr>
<td>Consolidated total</td>
<td>¥ 4,238,666</td>
<td>¥ 4,431,198</td>
<td>¥ 4,519,921</td>
<td>¥ 4,462,509</td>
<td>¥ 4,191,433</td>
</tr>
</tbody>
</table>

Results by Business Segment

Industrial Automation Systems
The market of the factory automation systems business saw an increase in demand relating to 5G and semiconductor outside Japan and demand relating to increased mask production in China, while there was continuing stagnation in automotive-related demand worldwide and machinery- and building-related demand in Japan. In this environment, the business saw an increase in orders due primarily to an increase in demand relating to semiconductor and lithium-ion battery, while revenue remained substantially unchanged from the previous fiscal year.

The market of the automotive equipment business saw a decrease in demand for new cars in all regions except for China due to the impact of COVID-19 primarily in the first half. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in electrical components despite an increase in electric vehicle-related equipment such as motors and inverters. As a result, revenue for this segment decreased by 7% from the previous fiscal year to 1,248.5 billion yen. Operating profit decreased by 28.3 billion yen from the previous fiscal year to 40.5 billion yen due mainly to decreased revenue.

Information and Communication Systems
The market of the information systems and service business saw delays and cancellations of system development projects, particularly in the manufacturing industry, due to the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in the system integrations business.

The electronic systems business saw decreases in both orders and revenue from the previous fiscal year due primarily to a decrease in large-scale projects for the defense systems business. As a result, revenue for this segment decreased by 17% from the previous fiscal year to 380.1 billion yen. Operating profit decreased by 10.0 billion yen from the previous fiscal year to 16.4 billion yen due mainly to decreased revenue.

Electronic Devices
The market of the electronic devices business saw a slowdown in demand for power modules used in railcar and industrial applications, while demand for high frequency and optical devices relating to next-generation data centers remained buoyant. In this environment, the business saw an increase in orders from the previous fiscal year due primarily to an increase in power modules used in automotive applications, while revenue decreased by 2% from the previous fiscal year to 205.2 billion yen due mainly to decreases in TFT-LCD modules and power modules used in industrial and railcar applications despite an increase in high frequency and optical devices, particularly in optical communication devices. Operating profit decreased by 2.4 billion yen from the previous fiscal year to 0.2 billion yen due mainly to decreased revenue.

Home Appliances
The market of the home appliances business saw a decrease in demand for a part of air conditioners globally due primarily to the impact of COVID-19 causing lockdowns and considerable limitation of economic activities outside Japan, particularly in the first half, and restrained capital expenditure worldwide. Meanwhile, there was demand for residential air conditioners due to increased time at home. In this environment, the business saw a decrease in revenue by 5% from the previous fiscal year to 1,038.3 billion yen due primarily to a decrease in a part of air conditioners. Operating profit decreased by 2.4 billion yen from the previous fiscal year to 75.7 billion yen due mainly to decreased revenue.

Others
Revenue decreased by 9% from the previous fiscal year to 603.0 billion yen due primarily to decreases in services and engineering at affiliated companies. Operating profit decreased by 12.4 billion yen from the previous fiscal year to 13.6 billion yen due mainly to decreased revenue.

Revenue decreased by 7% year on year to 2,430.8 billion yen primarily due to decreases in all businesses except the social infrastructure systems business.

North America
Revenue decreased by 12% year on year to 379.2 billion yen primarily due to a decrease in the automotive equipment business.

Asia (excluding Japan)
Revenue increased by 1% year on year to 926.5 billion yen primarily due to an increase in the factory automation systems, despite decreases in the building systems and air conditioner businesses.

In China, revenue increased by 15% year on year to 481.8 billion yen primarily due to increases in the factory automation systems and automotive equipment businesses.

Europe
Revenue decreased by 10% year on year to 391.6 billion yen due to decreases in the automotive equipment businesses.

Others
Revenue in other regions, including Oceania, remained substantially unchanged from the previous fiscal year to 63.1 billion yen.
Management Analysis of Financial Position, Operating Results and Cash Flows

## Analysis of Financial Position

Total assets as of the end of this fiscal year increased from the end of the previous fiscal year by 388.1 billion yen to 4,797.9 billion yen. The change in balance of total assets was mainly attributable to increases in cash and cash equivalents by 229.8 billion yen, other non-current assets by 124.9 billion yen and other financial assets by 86.1 billion yen. Working capital saw a decrease in the sum of trade receivables and contract assets by 63.0 billion yen, while inventories increased by 49.8 billion yen.

Cash and cash equivalents increased due to reduced use of materials and cost which exceeds a decrease in trade receivables reflecting decreased revenue for fiscal 2021. Other non-current assets increased due primarily to an increase in net defined benefit assets mainly reflecting a rise in stock prices. Other financial assets increased due primarily to an increase in investment securities mainly reflecting a rise in stock prices.

Total liabilities increased from the end of the previous fiscal year by 56.3 billion yen to 1,927.3 billion yen due primarily to increases in accrued expenses by 37.3 billion yen and contract liabilities by 26.8 billion yen, while balances of bonds, borrowings and lease liabilities decreased by 11.5 billion yen. Bonds and borrowings decreased by 18.1 billion yen from the end of the previous fiscal year to 248.8 billion yen, with the ratio of bonds and borrowings to total assets recording 5.2%, representing a 0.9 point decrease compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders’ equity increased by 324.5 billion yen compared to the end of the previous fiscal year. This change mainly results from increases from recording a net profit attributable to Mitsubishi Electric Corporation stockholders of 193.1 billion yen and accumulated other comprehensive income by 129.6 billion yen mainly reflecting a rise in stock prices and the yen depreciating against other currencies, despite a decrease due to dividend payment of 77.2 billion yen.

### <Indices related to the Statement of Financial Position>

<table>
<thead>
<tr>
<th>Index</th>
<th>As of Mar. 31, 2020</th>
<th>As of Mar. 31, 2021</th>
<th>YoY changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables turnover (times)</td>
<td>3.59</td>
<td>3.55</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Inventory turnover (times)</td>
<td>6.43</td>
<td>5.64</td>
<td>(0.79)</td>
</tr>
<tr>
<td>Bonds and borrowings to total assets (%)</td>
<td>6.1</td>
<td>5.2</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders’ equity ratio (%)</td>
<td>55.1</td>
<td>57.4</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Notes:
1. Trade receivables turnover is calculated based on the sum of trade receivables and contract assets.
2. Bonds and borrowings to total assets is calculated based on the balance of borrowings and bonds, excluding lease liabilities.

## Capital Resources and Funding Liquidity

### Basic Policies Regarding Financial Strategies

In order to maintain a solid balance sheet, the Mitsubishi Electric Group continuously strives to improve its cash flow by enhancing its business performance, achieve greater asset efficiency through inventory reduction initiatives and promotion of the collection of trade receivables, and improve fund efficiency through more effective use of Group funds.

In addition, the Group will further increase capital efficiency under its capital allocation policy stated in the new Medium-Term Management Plan towards fiscal 2026, by implementing its capital measures, including the enhancement of shareholder returns through profit growth while giving the top priority to investment in growth.

In order to secure funds needed to implement its growth strategies, including those for capital investment, research and development, and M&As, the Group will flexibly raise funds from financial institutions as necessary while using cash on hand generated from cash flows from operating activities with a focus on Key Growth Businesses.

### Status of Cash Flows

Cash flows from operating activities for fiscal 2021 was 542.1 billion yen (cash in), while cash flows from investing activities was 176.5 billion yen (cash out). As a result, free cash flow was 365.5 billion yen (cash in). Cash flows from financing activities was 157.3 billion yen (cash out), and cash and cash equivalents at end of period increased from the end of the previous fiscal year by 229.8 billion yen to 767.4 billion yen.

Net cash provided by operating activities increased by 146.2 billion yen from the previous fiscal year due primarily to reduced use of materials and cost throughout fiscal 2021 and increased trade payables to deal with increased orders in the fourth quarter, despite decreased profit.

Net cash used in investing activities decreased by 27.4 billion yen from the previous fiscal year due mainly to a decrease in purchase of property, plant and equipment.

Net cash used in financing activities increased by 0.8 billion yen from the previous fiscal year.

### Status of Funding and Liquidity

The main component within the need for working funds is operating expenses such as costs for purchasing necessary materials for production, manufacturing costs and selling, general and administrative expenses. The need for funds for investment is due to components such as capital expenditure and M&As.

Short-term working funds are derived from cash on hand and short-term borrowings from financial institutions. Capital expenditure and long-term working funds are derived from long-term borrowings from financial institutions and issuance of corporate bonds while utilizing cash on hand.

The balance of cash and cash equivalents is 767.4 billion yen and the balance of bonds, borrowings and lease liabilities totaled 365.4 billion yen as of the end of fiscal 2021. Of these, short-term borrowings totaled 72.0 billion yen, bonds and long-term borrowings totaled 176.8 billion yen, and lease liabilities totaled 116.5 billion yen.

Steadily executing the strategies above, the Group will work to further enhance its corporate value.
### Research and Development Expenditures / Capital Expenditures

#### Research and Development Expenditures

<table>
<thead>
<tr>
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<td>2018</td>
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<td>2020</td>
<td>2021</td>
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<td>35.4</td>
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<td>69.5</td>
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<td>Information and</td>
<td>18.2</td>
<td>17.9</td>
<td>17.9</td>
<td>15.3</td>
<td>13.4</td>
<td>8.8</td>
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<tr>
<td>Communication Systems</td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>10.0</td>
<td>13.4</td>
<td>13.4</td>
<td>14.1</td>
<td>12.5</td>
<td>10.4</td>
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<tr>
<td>Home Appliances</td>
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<td>43.8</td>
<td>44.9</td>
<td>42.3</td>
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<td>Others</td>
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<td>32.2</td>
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<td>33.2</td>
<td>33.7</td>
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<tr>
<td>Consolidated total</td>
<td>201.3</td>
<td>210.3</td>
<td>210.3</td>
<td>212.7</td>
<td>206.8</td>
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<td>R&amp;D expenditures</td>
<td>4.7</td>
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#### Capital Expenditures

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy and Electric</td>
<td>39,574</td>
<td>30,881</td>
<td>30,881</td>
<td>27,169</td>
<td>29,414</td>
<td>30,021</td>
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<td></td>
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<tr>
<td>Industrial Automation</td>
<td>80,233</td>
<td>68,376</td>
<td>68,376</td>
<td>79,257</td>
<td>78,722</td>
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<td>Systems</td>
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<tr>
<td>Information and</td>
<td>16,599</td>
<td>17,522</td>
<td>17,522</td>
<td>21,925</td>
<td>29,982</td>
<td>22,376</td>
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<tr>
<td>Communication Systems</td>
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<tr>
<td>Electronic Devices</td>
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<td>Home Appliances</td>
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<td>32,849</td>
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<td>38,720</td>
<td>19,488</td>
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<td>Others</td>
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<td>4,758</td>
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<td>6,426</td>
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<tr>
<td>Commons</td>
<td>9,234</td>
<td>9,950</td>
<td>9,950</td>
<td>10,387</td>
<td>12,888</td>
<td>20,159</td>
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<tr>
<td>Consolidated total</td>
<td>175,542</td>
<td>181,513</td>
<td>181,513</td>
<td>198,442</td>
<td>227,450</td>
<td>180,033</td>
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</tr>
</tbody>
</table>

* The data above are based on the recognized value of property, plant, and equipment.
### Consolidated Statement of Profit or Loss

#### Mitsubishi Electric Corporation and Subsidiaries

Years ended March 31, 2020 and 2021

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>¥ 4,462,509</td>
<td>¥ 4,191,433</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,200,170</td>
<td>3,017,059</td>
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<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>1,017,075</td>
<td>953,602</td>
</tr>
<tr>
<td><strong>Other profit (loss)</strong></td>
<td>14,397</td>
<td>9,423</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>259,661</td>
<td>230,195</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>10,285</td>
<td>12,136</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>7,008</td>
<td>2,828</td>
</tr>
<tr>
<td><strong>Share of profit of investments accounted for using the equity method</strong></td>
<td>19,048</td>
<td>19,251</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>281,986</td>
<td>258,754</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>48,474</td>
<td>57,071</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>233,512</td>
<td>201,683</td>
</tr>
<tr>
<td><strong>Net profit attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders</td>
<td>221,834</td>
<td>193,132</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>¥ 11,678</td>
<td>¥ 8,551</td>
</tr>
</tbody>
</table>

#### Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic</strong></td>
<td>¥ 103.41</td>
<td>¥ 90.03</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>103.41</td>
<td>90.03</td>
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</tbody>
</table>
### Consolidated Statement of Changes in Equity

Mitsubishi Electric Corporation and Subsidiaries  
Years ended March 31, 2020 and 2021

<table>
<thead>
<tr>
<th></th>
<th>2020 (¥ millions)</th>
<th>2021 (¥ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at beginning of year</strong></td>
<td>175,820</td>
<td>202,832</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>221,834</td>
<td>193,132</td>
</tr>
<tr>
<td>Other comprehensive income (net of tax)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to net profit</td>
<td>(31,874)</td>
<td>64,457</td>
</tr>
<tr>
<td>Changes in fair value of financial assets measured at fair value through other comprehensive income</td>
<td>(23,574)</td>
<td>84,501</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>(1,528)</td>
<td>2,159</td>
</tr>
<tr>
<td>Total items that will not be reclassified to net profit</td>
<td>(56,976)</td>
<td>151,117</td>
</tr>
<tr>
<td>Items that may be reclassified to net profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translating foreign operations</td>
<td>(49,360)</td>
<td>61,880</td>
</tr>
<tr>
<td>Net changes in the fair value of cash flow hedges</td>
<td>20</td>
<td>92</td>
</tr>
<tr>
<td>Total items that may be reclassified to net profit</td>
<td>(51,774)</td>
<td>63,154</td>
</tr>
<tr>
<td><strong>Total other comprehensive income (loss)</strong></td>
<td>(108,750)</td>
<td>214,271</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>124,762</td>
<td>415,954</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders</td>
<td>117,132</td>
<td>401,559</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>7,630</td>
<td>14,395</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>175,820</td>
<td>202,777</td>
</tr>
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</table>

### Consolidated Statement of Comprehensive Income

Mitsubishi Electric Corporation and Subsidiaries  
Years ended March 31, 2020 and 2021

<table>
<thead>
<tr>
<th></th>
<th>2020 (¥ millions)</th>
<th>2021 (¥ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net profit</strong></td>
<td>233,512</td>
<td>201,683</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), net of tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to net profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in fair value of financial assets measured at fair value through other comprehensive income</td>
<td>(31,874)</td>
<td>64,457</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>(23,574)</td>
<td>84,501</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using the equity method</td>
<td>(1,528)</td>
<td>2,159</td>
</tr>
<tr>
<td>Total items that will not be reclassified to net profit</td>
<td>(56,976)</td>
<td>151,117</td>
</tr>
<tr>
<td>Items that may be reclassified to net profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translating foreign operations</td>
<td>(49,360)</td>
<td>61,880</td>
</tr>
<tr>
<td>Net changes in the fair value of cash flow hedges</td>
<td>20</td>
<td>92</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using the equity method</td>
<td>(2,434)</td>
<td>1,182</td>
</tr>
<tr>
<td>Total items that may be reclassified to net profit</td>
<td>(51,774)</td>
<td>63,154</td>
</tr>
<tr>
<td><strong>Total other comprehensive income (loss)</strong></td>
<td>(108,750)</td>
<td>214,271</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>124,762</td>
<td>415,954</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders</td>
<td>117,132</td>
<td>401,559</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>7,630</td>
<td>14,395</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>175,820</td>
<td>202,777</td>
</tr>
</tbody>
</table>

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### Notes

- **Changes in fair value of financial assets measured at fair value through other comprehensive income** include fair value changes of equity derivatives, forwards, and investments for which fair value is consistently measured at fair value.
- **Remeasurements of defined benefit plans** include actuarial gains and losses related to changes in discount rates and assumed mortality rates.
- **Share of other comprehensive income of investments accounted for using the equity method** includes other comprehensive income (loss) of investments in associates, joint ventures, and unconsolidated subsidiaries.
- **Balance at end of year** includes adjustments for the acquisition of certain businesses during the year.
### Cautionary Statement

While the statements herein including the forecast of the Mitsubishi Electric Group are based on assumptions the Group considers to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts. Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

(1) Any change in worldwide economic and social conditions, as well as laws, regulations, taxation and other legislation
(2) Changes in foreign currency exchange rates, especially JPY/US dollar rates
(3) Changes in stock markets, especially in Japan
(4) Changes in balance of supply and demand of products that may affect prices and volume, as well as material procurement conditions
(5) Changes in the ability to fund raising, especially in Japan
(6) Uncertainties relating to patents, licenses and other intellectual property, including disputes involving patent infringement
(7) New environmental regulations or the arising of environmental issues
(8) Defects in products or services
(9) Litigation and legal proceedings brought and contemplated against the Company or its subsidiaries and affiliates that may adversely affect operations or finances
(10) Technological change, the development of products using new technology, manufacturing and time-to-market
(11) Business restructuring
(12) Incidents related to information security
(13) Large-scale disasters including earthquakes, typhoons, tsunami, fires and others
(14) Social or political upheaval caused by terrorism, war, pandemics, or other factors
(15) Important matters related to the directors and executive officers, major shareholders and affiliated companies of Mitsubishi Electric Corporation

### Consolidated Statement of Cash Flows

**Mitsubishi Electric Corporation and Subsidiaries**  
**Years ended March 31, 2020 and 2021**

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>¥ 233,512</td>
<td>¥ 201,683</td>
</tr>
<tr>
<td>Adjustments to cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>210,686</td>
<td>213,320</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>1,332</td>
<td>7,826</td>
</tr>
<tr>
<td>Loss (gain) on sales and disposal of property, plant and equipment, net</td>
<td>(10,834)</td>
<td>(10,749)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>48,474</td>
<td>57,071</td>
</tr>
<tr>
<td>Share of profit of investments accounted for using the equity method</td>
<td>(19,048)</td>
<td>(19,251)</td>
</tr>
<tr>
<td>Financial income and financial expenses</td>
<td>(3,277)</td>
<td>(9,308)</td>
</tr>
<tr>
<td>Decrease in trade receivables</td>
<td>23,956</td>
<td>13,005</td>
</tr>
<tr>
<td>Decrease (increase) in contract assets</td>
<td>(48,213)</td>
<td>70,164</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>18,504</td>
<td>(28,115)</td>
</tr>
<tr>
<td>Decrease in other assets</td>
<td>15,220</td>
<td>5,543</td>
</tr>
<tr>
<td>Increase (decrease) in trade payables</td>
<td>(28,582)</td>
<td>6,938</td>
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<tr>
<td>Increase (decrease) in net defined benefit liabilities</td>
<td>(16,113)</td>
<td>(7,593)</td>
</tr>
<tr>
<td>Increase (decrease) in other liabilities</td>
<td>(11,172)</td>
<td>65,201</td>
</tr>
<tr>
<td>Others, net</td>
<td>9,540</td>
<td>(557)</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>565,178</td>
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<td>Interest and dividends received</td>
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<td>20,252</td>
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<tr>
<td>Interest paid</td>
<td>(2,284)</td>
<td>(2,699)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(49,315)</td>
<td>(40,612)</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td><strong>395,834</strong></td>
<td><strong>542,119</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(192,833)</td>
<td>(168,920)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>19,571</td>
<td>14,226</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(24,364)</td>
<td>(19,439)</td>
</tr>
<tr>
<td>Purchase of investment securities, net of cash acquired</td>
<td>(20,019)</td>
<td>(15,903)</td>
</tr>
<tr>
<td>Proceeds from sale of investment securities, net of cash disposed</td>
<td>13,687</td>
<td>13,445</td>
</tr>
<tr>
<td>Others, net</td>
<td>(39)</td>
<td>39</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td><strong>(203,997)</strong></td>
<td><strong>(176,552)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from bonds and long-term borrowings</td>
<td>35,350</td>
<td>485</td>
</tr>
<tr>
<td>Repayments of bonds and long-term borrowings</td>
<td>(41,676)</td>
<td>(37,874)</td>
</tr>
<tr>
<td>Increase (decrease) in short-term borrowings, net</td>
<td>(2,093)</td>
<td>20,225</td>
</tr>
<tr>
<td>Repayments of lease liabilities</td>
<td>(53,947)</td>
<td>(54,992)</td>
</tr>
<tr>
<td>Dividends paid to Mitsubishi Electric Corp. stockholders</td>
<td>(85,871)</td>
<td>(77,283)</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>(785)</td>
<td>(367)</td>
</tr>
<tr>
<td>Disposal of treasury stock</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(8,929)</td>
<td>(7,834)</td>
</tr>
<tr>
<td>Transactions with non-controlling interests</td>
<td>(503)</td>
<td>288</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td><strong>(156,454)</strong></td>
<td><strong>(187,352)</strong></td>
</tr>
</tbody>
</table>

| Effect of exchange rate changes on cash and cash equivalents | (12,048) | 21,632 |
| Net increase (decrease) in cash and cash equivalents | 23,335 | 229,847 |
| Cash and cash equivalents at beginning of year | 514,224 | 537,559 |
| Cash and cash equivalents at end of year | ¥ 537,559 | ¥ 767,406 |
Corporate Data
Mitsubishi Electric Corporation
Tokyo Building, 2-7-3, Marunouchi,
Chiyoda-ku, Tokyo 100-8310, Japan
Tel. +81(3)3218-2111
Established: January 15, 1921
Paid-in Capital: ¥170,820 million
Shares issued: 2,147,201,551 shares
Employees: 145,653

Shareholders’ Meeting
The annual meeting of shareholders of the Corporation is regularly held in June
each year. Additionally, special shareholders meetings may be held as necessary.

Stock Exchange Listings
Japan: Tokyo
Europe: London

Major Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares (Thousands)</th>
<th>Percentage of Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>202,419</td>
<td>9.4%</td>
</tr>
<tr>
<td>SSBTC CLIENT OMNIBUS ACCOUNT</td>
<td>104,086</td>
<td>4.8%</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust Account)</td>
<td>100,811</td>
<td>4.7%</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>81,862</td>
<td>3.6%</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>61,639</td>
<td>2.9%</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust Account 7)</td>
<td>44,053</td>
<td>2.1%</td>
</tr>
<tr>
<td>Mitsubishi Electric Group Employees Shareholding Union</td>
<td>43,971</td>
<td>2.0%</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust Account 4)</td>
<td>36,778</td>
<td>1.7%</td>
</tr>
<tr>
<td>JP MORGAN CHASE BANK 380055</td>
<td>33,086</td>
<td>1.5%</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust Account 5)</td>
<td>30,667</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Note: Shareholder ratio calculations deduct 427,421 company-owned shares.

Distribution of Shareholders

- Individual (et al.) 12.1%
- Foreign Corporations (et al.) 38.7%
- Financial Institutions 41.9%
- Other Corporations 4.8%
- Traders of Financial Instruments 2.5%

Stock Price (Yen)

The Nikkei Stock Average is based on information copyrighted by Nikkei Kogyo Shinbun, Inc.
Please address inquiries for further information to:
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Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
Phone: 81-3-3218-2391